FINANCIAL TIMES

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Jaguar tops BL's 'for sale' list, Page 12

NEWS SUMMARY

GENERAL

Another setback for space shuttle

The U.S. space shuttle Challenger, which lost a Westar 6 communications satellite on Friday, ran into more trouble yesterday when a balloon meant to simulate orbiting satellites disintegrated.

The U.S. National Aeronautics and Space Administration ordered Challenger's crew not to fire any more thruster rockets. Yesterday it said that 13 objects had been seen trailing behind Challenger and that the largest two were believed to be Westar 6 and a payload assist module, a rocket designed to put the satellite into correct orbit.

Lloyd's of London faces the possibility of paying out more than $100m for the failed Westar, which would be the largest claim for a satellite.

The cause of the failure will probably never be known. Westar 6 is apparently electronically dead, neither giving nor responding to signals. Earlier story, Page 14

Feldstein TV bar

The White House forced the cancellation of a television appearance by Mr Martin Feldstein, chairman of President Ronald Reagan's council of economic advisers, after complaints about his views by U.S. Treasury Secretary Donald Regan. Page 2

Invasion forecast

Indian Premier Indira Gandhi's son Rajiv, who is being groomed as her successor, has predicted that Pakistan might invade India within a year, with Kashmir the most likely point of entry. There is concern about unrest in Kashmir, where India's ruling Congress I party has been trying to topple the state government. Page 2

India calls alert

Indian embassies around the world were put on alert following the disappearance from Birmingham, England, of assistant commissioner Raninda Hareshwa Mhatre, believed kidnapped by Kashmiri Moslem extremists.

Piracy on increase

A United Nations Conference on Trade and Development report for a maritime fraud conference opening in Geneva today says that "old-fashioned piracy" is increasing at sea and in ports, and has become a serious problem.

Manila protest

A crowd of 20,000 urging the resignation of Philippines' President Ferdinand Marcos marched to Manila airport where opposition leader Benigno Aquino was killed in August.

Maoris plan protest

New Zealand Maoris plan mass protests today, Waitangi Day, the country's national day, against the 1840 treaty that ceded sovereignty of Maori land to European settlers.

Islanders seek $6m

People displaced from Diego Garcia, the Indian Ocean island leased by Britain to the U.S. as a military base, have asked President Ronald Reagan for $6m to finance their resettlement in Mauritius.

Helicopter rescue

Eighteen people were rescued by helicopter and crane when fire swept through a Dead Sea hotel near Sodom, Israel. One person was killed and four injured.

Santovito dies

General Giuseppe Santovito, former head of Italy's secret service, died, aged 65, two months after his arrest on charges of revealing state secrets.

BUSINESS

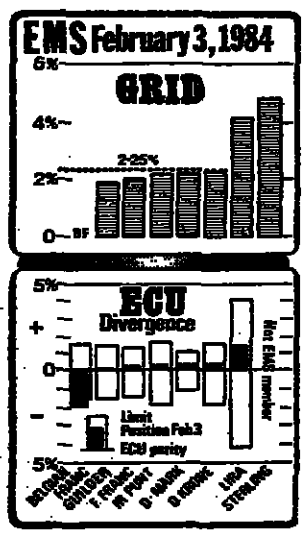
Bechtel may bid for UK shipyard

BECHTEL, the U.S. engineering and construction group, has, in the form of its UK offshoot, emerged as a rival to UK property and shipping group Trafalgar House for a possible takeover of the troubled Scott Lithgow shipyard on the Lower Clyde. Page 14

THE BELGIAN franc continued to lose ground in the European Monetary System last week. A softer dollar and a strong resurgence in the D-Mark pushed the franc close to its maximum divergence spread (MDS).

It has been trading outside its divergence limit (75 per cent of its MDS) since September last year, and until this week had been held steady by persistent central bank intervention and a relatively weak D-Mark.

This week's losses will revive speculation about the possibility of a realignment of parities within the system.



The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

EEC inquiry into Europe's $15bn a year electrical "white goods" industry is expected to make proposals for co-operation in component manufacture. Page 2

SPANISH car exports, boosted by General Motors' build-up, were almost 30 per cent up at more than 641,000, a record 56 per cent of production. Page 3

FRANCE has delayed approval for nearly two years of UK manufacturer Plessey's high-speed modems, which allow inter-computer communication along telephone circuits, and have been accepted by other European countries. Page 3

SAUDI Basic Industries Corporation's SR 2bn ($570m) share issue has been given a cool reception by investors in the other Gulf Co-operation Council states. Page 16

NEGOTIATIONS on revising the General Agreement for Tariffs and Trade should begin in 1986, the U.S. urged EEC countries, Canada and Japan. Page 3

U.S. is planning legislation to deal more effectively with product counterfeiters abroad, said to have deprived companies of between $6bn and $8bn in sales in 1982. Page 3

CHEVRON OIL of Sudan, a subsidiary of Standard Oil of California, is suspending some of its operations following the killing of three expatriate workers in a rebel raid. Page 2

MATTEL, the troubled U.S. toy company which is being supported by banks in a major reorganisation, is to report a negative net value of $150m in its accounts. It is selling its once highly profitable electronic games business to managerial staff for $20m. Page 16

Lebanese Cabinet collapse threatens renewed civil war

BY PATRICK COCKBURN IN BEIRUT

The Lebanese Government resigned yesterday and some units of the Lebanese Army appeared to have defected, leaving President Amin Gemayel increasingly isolated in his attempts to shore up the authority of his regime.

A full-scale resumption of the country's civil war would be difficult to avoid if the situation deteriorated any further, diplomats in Beirut said.

Mr Gemayel attempted in a simultaneous television and radio broadcast last night to head off further violence by calling for a resumption of the reconciliation talks on February 27.

Mr Chafic Wazzan, the Prime Minister, submitted his resignation after the three remaining Moslem ministers in the Cabinet said they would go. The Prime Minister's move followed four days of battle between the army and Shia militiamen in the capital and a call by Mr Nabi Berri, the Shia leader, for Moslems to leave the Cabinet. Mr Berri also said that soldiers should refuse to participate in the fighting, which continued yesterday, and go to designated neutral barracks.

Heavy fighting continued last night.

Although the army denied that there were a significant number of defections, a key military checkpoint on the main airport road was abandoned yesterday afternoon and militiamen belonging to Amal, the Shia paramilitary organisation, were building defensive positions just beside the highway. A fresh army detachment moved into the area later.

At the airport terminal itself, the soldiers seemed sympathetic to Amal, but were very edgy. "All the soldiers are talking about what they should do and the atmosphere is very tense and dangerous," said a Lebanese talking to a group of soldiers.

A spokesman for the U.S. marines, part of the multinational force in Beirut, said marines at the airport had not been involved in the Shia-army conflict.

A nearby barracks was said to have declared itself neutral, but it is still too early to say how far the Moslems in the army, who make up 57 per cent of its total strength, have answered Mr Berri's call.

Many soldiers who had defected were reported to be inside Beirut yesterday, but other units, including some predominantly Moslem, were still fighting Shia militiamen at the key entry point to Beirut called Galerie Semaan.

The defection of a significant proportion of the 37,000 strong army, rendering it impotent as a military force, could prove a mortal blow to President Gemayel's authority. He and his U.S. allies had counted on the army to strengthen his regime. By the president's own admission, he currently controls only 10 to 15 per cent of Lebanese territory.

The defections in the army have overshadowed the resignation of Mr Chafic Wazzan and his colleagues. President Gemayel was yesterday consulting the speaker of Parliament on the formation of a new government.

Continued on Page 14

British EEC official to attack UK farm policy

BY JOHN WYLES IN BRUSSELS

BRITAIN'S Conservative Government will be accused today of keeping domestic food prices at least 5 per cent higher than they need to be because of an inconsistent approach to the EEC's Common Agricultural Policy (CAP) and a bias towards farming interests.

Mr Christopher Tugendhat, a British member of the European Commission, is to make a speech to a food processing industry awards ceremony which will be widely seen as accusing the Government of double dealing on the CAP. He will contrast frequent declarations favouring freezes or even reductions in CAP prices and surpluses with actual policies which have kept food prices artificially high in the UK and helped to stimulate overproduction.

The criticism will be the more painful for UK ministers because Mr Tugendhat was sent to Brussels three years ago for a second term by Mrs Margaret Thatcher, the British Prime Minister.

As a former Tory Member of Parliament, Mr Tugendhat identifies politically with the centre-left or "wet" section of the party. But one of the ironies of a speech he will give in London this afternoon is that it attacks policies laid down by Mr Peter Walker, who is a leading "wet" and who was Minister of Agriculture until last June.

The Commissioner, who is responsible for the EEC budget, is expected to question whether it has been in the wider public interest for the Government to have continued paying large amounts of compensation to Britain's farmers since the spring of 1980.

This compensation has protected them against the strong pound, which led to a reduction in the guaranteed EEC prices which are paid to them. Mr Tugendhat will argue that, by acting as a tax on imports, these payments amount to a self-imposed food tax which has kept British prices at least 5 per cent higher than the Community level.

This is thought by many experts to have boosted British farm output, particularly of dairy products, and to have added to EEC surpluses. Mr Walker claimed two years ago that positive monetary compensation amounts (MCAs) had saved £1bn ($1.42bn) of food imports and that the Government "never agrees" to proposals which would disadvantage British farmers.

Mr Tugendhat's outspokenness reflects the frustration felt in Brussels about the British stand in the current negotiations on reforming the CAP and on proposals to freeze farm prices in the coming year.

At a meeting of Agriculture Ministers in Brussels today, Mr Michael Jopling, the British Agriculture Minister, will be both urging a tougher approach on prices than that proposed by the Commission and resisting moves to reduce the positive British MCA and spending of direct benefit to the UK such as the butter subsidy and payments to sheepmeat producers.

Mr Tugendhat will make no secret of his belief that the UK should be campaigning much more strongly for the Commission's proposals to limit the cost of the CAP and to curb food prices. Its current attempt to defend national agricultural interests will encourage all other EEC governments to do the same and add to the difficulties of reaching compromise agreements, he feels.

EEC strategy for white goods, Page 2

Bourses to consider data link network

BY BARRY RILEY IN LONDON

EUROPEAN stock exchanges are considering a plan for an electronic information exchange system which will transmit dealing and other data covering at least 200 leading European equities.

A working party of representatives from the various bourses within the EEC is investigating the possible scope of the electronic service, which has been named Idis – the Inter-Bourse Data Interchange System.

The bourses are responding to pressure from the European Commission to improve cross-border links so that they can fend off the growing challenge from American and other international securities dealers.

According to officials at the Financial Institutions and Taxation Commission in Brussels, U.S. and Japanese securities houses have been gaining a stronger and stronger foothold in Europe, and the European continent's stock markets could soon find themselves in a hopeless competitive position for dealings in top European shares.

The commission has called for a network of links between the exchanges, so that a wider market could be established in an "international league" of European stocks.

European bourses are now awaiting a confidential final report commissioned by the EEC from two consultants, Mr Michael Hall and Mr Malcolm Duncan.

Among the questions to be decided are whether Idis should deal with historial or real time price information, and whether it could be made the basis for an international settlement system which in turn might link in with bank transfer networks.

Lex, Page 14; Stock markets, Page 20

Fannie Mae Eurobond row looms

By Mary Ann Sieghart in London

A ROW is brewing between the U.S. Treasury and the Federal National Mortgage Association ("Fannie Mae") over Fannie Mae's backing of a recent Eurodollar bond.

Fannie Mae, the largest supplier of home mortgages in the U.S., backed Alaska Housing Agency's $100m bond, launched last week through a Netherlands Antilles subsidiary. The Treasury is still negotiating its tax treaty with the Antilles and does not approve of agencies connected with the Government involving themselves in any way with the tax haven. It has already barred Fannie Mae from issuing its own Eurobond through an Antilles financing vehicle.

A spokesman from the Treasury claims that it did not know of Fan-

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Euromarkets, Page 15

Thatcher's Hungary visit leaves opening for new links

By David Buchan in London

BRITISH OFFICIALS are now *planning follow-up diplomacy* to Mrs Margaret Thatcher's successful two-day trip to Hungary. But before leaving Budapest on Saturday the British Prime Minister said she had no further visits to the East arranged.

She virtually ruled out an early trip to Moscow, where uncertainty about the Soviet leadership has deepened with the abrupt postponement of a key Soviet minister's mission to India.

The Soviet news agency Tass announced on Saturday, but gave no reason for, the postponement "for some time" of the planned arrival in Delhi today of Marshal Dmitri Ustinov, the Soviet Defence Minister. The sudden postponement of the much-prepared visit prompted speculation about a turn for the worse in the health of President Yuri Andropov, or possibly of Marshal Ustinov himself, who, at 75, is even older than Mr Andropov.

Mrs Thatcher ended her visit to Hungary by declaring her "iron resolve" to work for an easing of East-West tensions.

The trip had been a "very considered first step," she said, and any other visits to the Soviet bloc would need equally "careful consideration."

She would be very happy, she said, if Sir Geoffrey Howe, her Foreign Secretary, were to get a specific invitation to visit Moscow.

Sir Geoffrey Howe's meeting earlier this month in Stockholm with Mr Andrei Gromyko, the Soviet Foreign Minister, had started some speculation about this. But Mrs Thatcher said her general wish was that "a number of their (Soviet) politicians would visit the West."

Nonetheless, the British Prime Minister clearly believes, from her experience in politically moderate Hungary, that she can make a useful contribution by telling Warsaw Pact leaders face-to-face that her firmly-held views on Western defence have no offensive character and that arms control talks must resume. "While I am known as the Iron Lady, I also have an iron resolve for the easing of tensions."

Significantly, she attributed the current dangerous lull in East-West diplomacy to both the uncertainty about Mr Andropov's health – about which her Hungarian hosts were not willing, and maybe not able, to enlighten her – and to this year's U.S. presidential election campaign.

Thatcher's diplomatic triumph, Page 2

Brazil accepts restrictions on weapons sales

BY ANDREW WHITLEY IN WASHINGTON

THE U.S. has persuaded Brazil, the leading arms exporter in the developing world, to accept for the first time restrictions on its foreign weapons sales, in return for access to U.S. defence high technology.

The agreement, which is incorporated in a memorandum of understanding on military and industrial co-operation, is the principal achievement of a series of joint working groups established following President Ronald Reagan's visit to Brazil in November 1982.

Mr George Shultz, the U.S. Secretary of State, who is touring Latin America and the Caribbean, is scheduled to sign the memorandum in Brasilia on Monday after presenting the final report of the working groups to President João Figueiredo.

The accord marks a virtual return to the close military links which existed between the two countries before Brazil's unilateral abrogation of their joint military pact in 1977, in protest against former U.S. President Jimmy Carter's human rights and nuclear non-proliferation policies.

State Department officials said yesterday that the memorandum would act as a framework for agreements between private U.S. and Brazilian companies on the co-production in Brazil of military equipment.

The Brazilian arms industry has grown at a phenomenal rate in recent years, thanks to its simple but reliable designs, low prices, and, above all, the Government's "no strings" export policies. Last year Brazil was estimated to have earned nearly $2bn from its arms exports, mainly to the Middle East.

However, Western defence experts feel the Brazilian industry has now reached a threshold beyond which further advances will be determined largely by greater sophistication, achieved through the import of Western components and technology for use by Brazilian-owned and joint venture manufacturing companies.

Britain and the U.S. have long been quietly pressing for Brazil to accept certain restrictions on the sale to third parties of locally-produced military equipment, in order to ensure for themselves a stake in one of the few Brazilian industrial sectors to have continued growing

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Nato urged to develop high tech arms, Page 2

AT&T in new bid to buy Inmos stake

BY GUY DE JONQUIERES IN LONDON

AMERICAN Telephone and Telegraph, (AT&T), the largest U.S. telecommunications company, has reopened talks with the British Government about acquiring an interest in Inmos, Britain's state-backed microchip manufacturer.

AT&T said yesterday that it had made a new approach late last week but would not give any details. It also said that it was considering investing in several other microchip companies in Europe, although it did not name them.

The company first expressed interest in Inmos last year but its initial offer was rejected as too low several weeks ago. It was not prepared then to offer more than £20m ($28.2m) for Inmos, which is backed by about £100m in British Government grants and guarantees.

AT&T was interested only in Inmos' two plants in the U.S. and in South Wales and would not commit itself to continuing the company's current product development programme.

Its renewed approach comes as Inmos prepares to seek about £15m in private financing by placing some of its shares with UK financial institutions.

The placement is due to be completed before the end of next month and may be followed by a London stock market flotation later this year.

The merits of combining the planned placement with an investment by an industrial group such as AT&T are still being debated by the UK Government and the British Technology Group, Inmos' majority shareholder.

Some argue that a link with an industrial partner of AT&T's stature would reassure institutional investors and increase the placement's chances of success.

CONTENTS

Rebel raid forces Chevron to halt Sudan operations

BY CHARLES RICHARDS IN CAIRO

CHEVRON OIL Company of Sudan, a subsidiary of Standard Oil of California (Socal), is suspending temporarily its operations at some locations in southern Sudan following the killing of three expatriate workers in a rebel raid last Thursday.

The company said about 200 employees had been evacuated and oil drilling shut down for the time being.

This is the second major setback for the Sudan. Work had already stopped on southern Sudan's other major development project, the Jonglei irrigation canal, after rebels kidnapped workers on November 15. Two Chevron workers were kidnapped at the same time.

Oil has been held out by the *Government of President* Jaafar Nimeiri as Sudan's great hope for solving its dire economic problems. But even proven reserves of 200m barrels would not yield benefit to the Government until the mid-1990s after the oil companies had recouped their investment.

Chevron has already spent nearly $800m (£563m) on exploration and continues to spend $600,000 a day. It hopes to begin to recoup its outlay once the planned 1,425 kilometre pipeline to the coastal export terminal is complete.

Financing arrangements for the $960m pipeline project were about to fall into place with the White Nile Petroleum Corporation, the pipelines owner and operator.

Chevron had already begun to cut its losses. Its parent, Socal, has sold 25 per cent of Chevron's stake in Sudanese oil exploration and production to Royal Dutch/Shell for an undisclosed *sum. Included in the deal was* Chevron's interest in White Nile.

The three workers killed were a Briton, a Kenyan and a Filipino. Between 15 and 20 heavily armed men attacked them at Rub Kona, where Chevron is building a 103 acre base camp for the pipeline's southern starting point.

The raiders said they were *from* Anyanya II, a rebel organisation led by a former army colonel, John Garang.

Anyanya II is demanding that all work stop on the Jonglei Canal and Chevron and Total's oil exploration and the repeal of Islamic law introduced last September.

Southerners, about a third of the population, are unhappy at what they perceive as neglect by the Arab, Moslem north, and President Nimeiri's redivision of the south which some feel weakens their political bargaining power.

Mubarak visit to Morocco will help secure Arab ties

BY OUR CAIRO CORRESPONDENT

EGYPTIAN President Hosni Mubarak is to pay a two-day visit to Morocco at the end of his current four-nation African tour, Egyptian Foreign Minister Kamal Hassan Ali announced in Mogadishu.

The visit will be the first by an Egyptian President to any of the Arab states that broke off relations with Egypt when it made peace with Israel, except for Mr Mubarak's brief trip to Saudi Arabia on the death of King Khaled.

The visit will be seen as yet another diplomatic triumph for Egypt, following the visit to Cairo in December of the chairman of the Palestine Liberation Organisation Yassir Arafat, and the Islamic Conference Organisation's invitation to Egypt to rejoin its ranks.

Egypt's readmission serves as the pretext for the invitation by Morocco's King Hassan, the ICO chairman. He was always a reluctant subscriber to the Arab boycott of Egypt, and had a hand in arranging some of the early meetings between Egyptian and Israeli officials. Since then, although diplomatic ties officially remain severed, the Moroccan foreign minister has visited Egypt, and Egyptian officials have been to Rabat.

David Buchan, recently in Budapest, assesses last week's Anglo-Hungarian dialogue

Diplomatic triumph for Thatcher in Budapest

THE MEDIUM was the main message in Mrs Margaret Thatcher's two-day visit to Hungary: dialogue for dialogue's sake, since there had been none before at the highest level between these two countries on different sides of the East-West *political divide.*

In the British leader's four hours of talks, split equally with Mr Janos Kadar, the communist party leader, and Mr Gyorgy Lazar, the prime minister, both sides tacitly agreed not to dwell on their differences

Mrs Thatcher had a specific message for Moscow—that it should return to the Geneva talks. But her Hungarian hosts *made clear they would not act* as private messenger to Moscow. So Mrs Thatcher stated it publicly.

By the rather banal tactic of focusing on what united them, the British and Hungarian leaders seem to have achieved their minimal aim of convincing each other of their sincerity

Most important for the Hungarians, *Mrs Thatcher* succeeded in stating her robust foreign policy and defence views without embarrassing her hosts. The potential for such embarrassment was underscored by an official Press attack on Mrs Thatcher from neighbouring Czechoslovakia while she was still in Budapest.

Over-enthusiastic praise for the Hungarian economic *reforms, which with their* emphasis on private intiative and enterprise (though not necessarily ownership) overlap with Thatcherist views, might have been awkward. But Mrs Thatcher steered clear of this pitfall, merely praising Hungary for following the economic policies which suited it best.

Mr Thatcher did Hungary a positive service on the issue of its forthcoming negotiations with Brussels for a trade agreement with the EEC. The Hungarian leadership has been nervous about how this further sign of inde.endence in their economic policy might be viewed by their Eastern allies. At her Budapest press conference, the British leader *stressed that seeking* such an agreement with the EEC was perfectly normal, that all manner of countries did so, and that Hungary would have UK support at the bargaining table.

Hungary is seeking for itself a better agreement than the only accord so far reached by the EEC with a Comecon *country, with Romania* in 1978. It wants to succeed where the Romanians failed, in getting EEC member countries' quotas on its goods abolished.

Better access to the EEC market for a food-exporter like Hungary is certain to be resisted by EEC members such as France, Ireland, and Italy. At the same time, Hungary does not have the relatively *carefree room for foreign* policy manoeuvre that Romania, the maverick in Warsaw Pact and Comecon, has.

As generally low-key and protocol-conscious state visits in the East go, her trip was a minor *coup de théâtre*. Her walk-about in Budapest's colourful Tobuhin covered market was chaotic, with Mrs Thatcher and the accompanying knots of British television and press surging through open-eyed and intrigued Saturday - morning shoppers.

"How stylish" was the comment of more than one bystander, impressed at a kind of political populism rarely seen in the East. The sentiment seemed to be shared by the Hungarian press corps who, at the end of her farewell press conference, burst into spontaneous applause.

Zimbabwe acts to halt fresh rebel activity

By Tony Hawkins in Harare

THE ZIMBABWE Government's weekend decision to reimpose a dusk-to-dawn curfew in parts of the troubled western province of Matabeleland follows last week's official statement expressing concern at "the marked increase" of dissident activity in the region.

Mr Simbi Mugako, the Home Affairs Minister, has blamed South Africa for the recent intensification of rebel activity, saying that a large number of South African-sponsored rebels had entered Matabeleland.

The minister said this "renewed activity" by rebels revealed a new phase in the two-year-old campaign. However, there is a noticeable shift in the tone of official statements, which increasingly blame South Africa for the violence rather than Mr Joshua Nkomo's Zapu opposition party, which was previously held responsible.

This is the third time in two years that the Government has used curfew powers to combat the rebels.

In a series of statements last week, the Mugabe Government said 459 rebels had been either killed or captured by security forces in the past two years, while the dissidents had killed 120 people, mutilated 23 and raped 47 in the last year alone.

Most of the captured rebels had professed loyalty to Mr Nkomo's Zapu party

Nato urged to deploy high technology arms

BY IAN DAVIDSON

NATO should take advantage of new technology to strengthen its capacity for conventional defence, in order to reduce reliance on nuclear weapons, according to a study published today by the British Atlantic Committee.

The study, Diminishing the Nuclear Threat: Nato's Defence and New Technology,* was drafted by a nine-man group of defence experts headed by Lord Cameron, formerly Britain's Chief of the Defence Staff.

The British Atlantic Committee is an educational charity devoted to the promotion of information about the North Atlantic Alliance.

The study joins the growing chorus of respected voices calling for a review of Nato's strategy of "flexible response" which assumes that nuclear weapons could be used to counter the Warsaw Pact's conventional superiority. It argues that high-technology stand-off weapons could displace nuclear weapons, thus raising the nuclear threshold.

"The present (nuclear) weapon arsenals are far in excess of the needs of deterrence," it says. "The concept of controlled, step-by-step escalation is impracticable nonsense in an unpredictable and largely uncontrollable and chaotic situation. . . . Technology offers the prospect of removing the need to employ such a comprehensive spectrum of nuclear weapons as both sides now possess, and enables us to think clearly and positively for the first time about a minimum deterrent."

The case for strong western, and British, strategic nuclear deterrents would remain; some theatre nuclear weapons would also be needed, though in much smaller numbers than at present.

But the study questions whether the West needs slavishly to match the Soviet armoury at every level, and whether there is any political or military sense in the forward location of nuclear warheads in the European theatre.

The study dismisses as fantasy the idea of space-based anti-missile defence, associated *with President Reagan's* "Star Wars" speech of March 1983; and it calls for an international treaty to ban the testing of space-based weapons.

*British Atlantic Committee, 30A St James's Square, London SW1.

EEC inquiry may prompt strategy for white goods

BY CARLA RAPOPORT

AN EEC investigation into the problems facing Europe's $15bn-a year white goods industry is expected to prompt proposals on bilateral and multilateral co-operation in the area of component manufacture as opposed to the assembly of finished appliances.

The Brussels initiative was prompted by the industry's twin problems of over-capacity and the weakened financial state of many of its members. "They want to be sure there won't be any bankruptcies down the road," explained an EEC official last week.

Over the past few years, the industry which includes the manufacturers of household appliances such as refrigerators, washing machines and cookers has seen many of its best-known *companies, such as* AEG-Telefunken and Bauknecht, of West Germany, Indesit and Zanussi of Italy and Hoover in the UK fall into serious financial difficulties.

Industry executives reckon that the European white goods sector still has some 15 to 20 per cent excess capacity.

Unions to reject OECD plan to hold down wages

BY DAVID MARSH IN PARIS

EFFORTS BY major industrialised countries to speed up economic recovery by holding down wages are expected to come under strong criticism from trade unionists at an intergovernmental conference on *unemployment starting in Paris*

The three-day conference, under the auspices of the Organisation for Economic Co-operation and Development, brings together for the first time labour ministers, officials, employers and trade unions to discuss ways of lowering the present total of 33m jobless people in the 24-nation OECD.

Mr David Basnett, leader of Britain's General, Municipal and Boilermakers Union and chairman of the OECD's trade union advisory committee, who is due to address the *conference's opening session this* morning, is expected to deliver a flat rebuff to the idea that reducing real wages represents the route to recovery.

He will argue that the sharp growth in employment in the U.S. over the past 12 months has been caused by the huge American budget deficit

Feldstein forced to cancel TV appearance

By Stewart Fleming in Washington

MR MARTIN FELDSTEIN, chairman of President Ronald Reagan's Council of Economic Advisers, was forced by the White House to cancel yesterday a television appearance to discuss the Administration's economic and budget policy following complaints to the White House about his views from Mr Donald Regan, the Treasury Secretary.

The Washington Post reported the White House move after a bitter dispute e rupted between Mr Regan and Mr Feldstein on Friday. Mr Regan said that as far as he was concerned Congress could "throw away" the bulk of the 1984 economic report of the President written by the CEA.

Subsequently Mr Feldstein described Mr Regan's comments as "a throw away line." The White House would not confirm that pressure had been put on Mr Feldstein.

The disarray within the Reagan Administration about economic policy has heightened anxieties in the financial markets over the $200bn a year budget deficits. This contributed to a sharp fall in share prices on Wall Street on Friday and a weakening of the dollar on the foreign exchanges.

Against this background, Mr Paul Volcker, the chairman of the Federal Reserve Board, will release today testimony he will present to Congress tomorrow and Wednesday about Fed monetary policy.

Administration and congressional officials are due to meet later in the week to begin to try negotiate a $100bn three-year programme to cut deficits.

Congressional leaders, however, remain sceptical about the scope for action. Senator Pete Domenici, chairman of the Senate budget committee, said yesterday that "if one side goes in taking extreme political positions, we will not get anything done."

Opec winter boost

Pressure on Opec oil producers to cut output to below the official 17.5m barrels a day quota had eased slightly due to cold winter weather, especially in North America, according to International Energy Agency officials, Reuter reports from Paris.

Non-Communist world oil demand in the first three months of 1984 is expected to be 46.7m barrels a day (mbd), 0.3 mbd higher than forecast last month.

Joint debt stance

Argentina and Venezuela declared onh Saturday they would co-ordinate policies to defend their interests better when renegotiating foreign debts, Reuter reports from Caracas. They also urged creditors to consider the negative impact posed by foreign debts on the region's democratic governments.

The question of Latin America's $310bn foreign debt should be analysed jointly with industrialised nations because of their "co-responsibility" for the regicn's obligations, they said.

Athens air pact row

The Greek Government has denounced as "one-sided as colonial" a 1946 civil aviation agreement with the U.S. Revises in 1966 and 1968, the agreement allows Trans World Airlines (TWA), the American carrier, to transport passengers between Greece and points in Western Europe and the Middle East.

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Pakistan invasion of Kashmir forecast by Rajiv Gandhi

BY JOHN ELLIOTT IN NEW DELHI

A PAKISTAN invasion of India within a year has been forecast by Mr Rajiv Gandhi, son of Mrs Indira Gandhi, the Indian Prime Minister.

In an interview with the Financial Times Mr Gandhi, who is being groomed by Mrs Gandhi as her successor, said that the invasion would "take place logically in Kashmir."

He made his forecast in the context of his concern about unrest and the growth of alleged pro-Pakistan groups in the northern states of Jammu and Kashmir where Mrs Gandhi's Congress I Party has been unsuccessfully trying to topple the National Conference state government elected last June under the leadership of Dr Farooq Abdullah, son of a *distinguished Kashmir statesman.*

Mr Gandhi, who is a general secretary of Congress I and therefore becomes involved in state politics, said Mrs Gandhi and her ministers were "not being tough enough" in dealing with the problems in the state.

Along with some other advisers he is believed to have failed in the past fortnight to persuade Mrs Gandhi to sack Dr Farooq and declare presidential rule of the state.

She is believed to have pulled back from this step having successfuly rocked the stability of Dr Farooq's government in the past six weeks on the advice of more experienced confidants including Mr B. K. Nehru, the state's governor who is her *cousin. He is believed to have* told her she had no reason to take over.

India and Pakistan have gone to war over their disputed border in Kashmir three times since 1947. In his interview Mr Gandhi said Dr Farooq was "encouraging people to come up who are traditionally anti-Indian".

He was referring to groups *which want independence* or Pakistan rule for the area.

Mr Gandhi said that at the same time Pakistan forces were carrying out their biggest ever army and airforce exercises across the Kashmir border and the internal situation in the state meant that intelligence information was not coming through properly.

He said that an invasion was most likely "at what we call the 'Chicken's Neck' near Jammu which is our most vulnerable point on the border".

Mr Gandhi's warnings will be seen in India in the context of the Kashmir internal political situation.

But it is significant that he *has spoken out so precisely* about an invasion at a time when the countries' often hostile and accident prone relations have been entering a new phase.

Last month India and Pakistan started tentative and inconclusive steps towards normalising relations on trade, economics and other matters and Mr H. K. Bhagat, the Indian information minister, was due to visit Islamabad later this month. But the Pakistan Government was warned on Saturday that this visit would have to be reconsidered by the Indian Government because of a row involving the cancellations of visas for two Indian Airlines officials working in Pakistan who allegedly helped two Indian embassy servants return home illegally.

WORLD TRADE NEWS

GM output pushes up Spanish car exports

By David White in Madrid

SPAIN EXPORTED almost 30 per cent more cars last year than in 1982, thanks to the build-up of production at General Motors' new plant near Saragossa. But the motor manufacturers' association Anfac, releasing preliminary figures, said the year had been "mediocre" for cars and worse for other sectors.

Exports of GM's Open Corsa model, which put the U.S. company straight into top place among Spain's car exporters with a total of over 198,000 units, disguised an overall decrease of almost 8 per cent among the country's other five manufacturers.

Total car exports at over 641,000 units accounted for a record 56 per cent of production, which also hit a new high — again, due solely to GM's arrival — at 1.14m units, 23 per cent up on 1982.

Apart from GM, which is the most export-oriented of the companies, only the Peugeot group's Citroen subsidiary showed substantial gains in production and exports. Its sister company, Talbot, registered level output and lower sales outside the Spanish market.

Renault, while maintaining its lead among Spanish producers, suffered falls in both output and exports and so did Seat, the State-owned manufacturer. Ford's performance was roughly in line with 1982, with an increased dependence on non-Spanish outlets.

The other main innovation in the Spanish motor industry, the start-up of production of the Nissan Patrol at the Barcelona-based Motor Iberica, contributed to a 65 per cent rise in production of four wheeled vehicles and a 63 per cent boost in exports.

John Wicks adds from Zurich: Swiss car sales dropped by 5.6 per cent last year to 275,527 units, according to the Car Importers' Association, despite a 6.8 per cent rise in the first quarter of 1983 caused by the liquidation of stocks of vehicles manufactured to former exhaust system standards.

All major makes were affected—Switzerland has no car industry. Sales of the five most popular types all declined, Opel by 5.2 per cent, Volkswagen by 12.6 per cent, Fiat by 7.7 per cent, Toyota by 3.7 per cent and Renault by 26 per cent.

But sales of Audi cars grew 34.5 per cent, Mitsubishi 21.3 per cent and Peugeot 9.7 per cent.

Brock lobbies for 'Reagan Round'

BY NANCY DUNNE IN WASHINGTON

MR WILLIAM BROCK, the U.S. trade representative continued to press for a new round of international trade talks in informal meetings with the Trade Ministers from the EEC, Canada and Japan, at the weekend.

Agreement was needed, he said, on a new round of negotiations under the General Agreement for Tariffs and Trade (Gatt) to begin in 1986. U.S. officials, who view the proposed talks as a means of combating protectionist pressures in the industrialised countries, are calling the meetings, somewhat prematurely, "the Reagan Round." President Reagan mentioned them in his State of the Union message last month.

ALCAN Aluminium's Brazilian unit is to proceed with the installation of a new hot rolling mill at its Pindamonhangaba complex at a cost of $145m. About $51m has already been spent on the project, due to be completed in 1986, which will give a capacity of 95,000 tonnes a year of high quality finished rolled products. Reuter reports from Montreal.

Mr Brock acknowledged that the U.S. proposal has met with some resistance from the Europeans, who believe it is first necessary to put into practice the results of the Tokyo Round, which ended in 1979, and then to achieve an international consensus about what the talks could accomplish.

U.S. trade officials feel that the failure of the 1982 Gatt Ministerial meeting to deal with the agricultural subsidies issue and with U.S. demands for easing restrictions on services trade and on the sales of high technology products shows the need for new talks.

In a Press conference after the meeting, Mr Brock said that "very quite studies and conversations" held this year and next should lead to new global talks by 1986 as a means of increasing two-way trade with the Third World and easing restrictions on the sale of high technology products and services.

Mr Brock told reporters that he warned his fellow Ministers, Mr Hikosaburo Okonogi from Japan, Mr Wilhelm Haferkamp from the EEC and Mr Gerald Regan from Canada, that the Administration is facing "a very tough year" of protectionist pressures in Congress.

Administration officials hope to deflect industry demands with the promise of expanding trade and creating jobs by improving the trading system. "There is a sense that a new round can shift the perspective in a more positive direction of liberalisation and opening up markets," Mr Brock said.

U.S. to move against counterfeiters

BY NANCY DUNNE IN WASHINGTON

THE U.S. congress is preparing legislation to block the activities of counterfeiters, who are thought to have deprived companies of domestic and export sales worth between $6bn and $8bn in 1982.

The chairman of the House Energy and Commerce Committee, Mr John Dingell, is preparing a Bill under which countries now receiving duty-free entry benefits granted under the Generalised System of Preference (GSP) would lose their status if they fail to control counterfeiting or intellectual property rights abuses.

A country could regain its duty-free benefits if it eliminates the offending practices or makes a "creditable best effort" to do so.

The International Trade Commission estimates that lost revenue as a result of counterfeiting was split almost equally between domestic and export sales. Traditional areas affected such as apparel, records and tapes were now being joined by chemicals and related products, sporting goods and transportation equipment parts and accessories, particularly for cars.

Counterfeiting was found to exist for 151 products in 43 countries. These were marketed in 67 countries, including the U.S. The Far East was the primary source of counterfeiting, the ITC reported. Taiwan alone was the source of more than 60 per cent of the counterfeited goods.

Other principal offenders were Hong Kong, Indonesia, Singapore, Korea, the Philippines, Japan and Thailand. Among the new items currently being faked are computer hardware and software, battery packs, electrical components, toasters, toys and games, jewellery, luggage and handbags.

Mr Dingell is said to be close to relating his own report on counterfeiting. He is also expected to fight for controls in criminal penalty Bills now under consideration by the House Judiciary Committee.

China iron ore deal for Australia

By Mark Baker in Peking

AUSTRALIA is likely to win new long-term contracts worth $85m (£55m) a year to supply iron ore to China's largest steel mill which is due to start operating in April.

It has been promised contracts to supply between 40 per cent and 50 per cent of the 5m tonnes of ore required each year for the first phase of the Baoshan complex near Shanghai, say Australian trade officials. Australian companies are expected to win a similar share of supply contracts for the second phase of Baoshan, due to open in 1987-88 which will also require 5m tonnes of ore a year.

The first phase contracts alone could nearly double Australia's current ore exports to China. The Chinese bought 2.9m tonnes from Australia last year at an average price of about $17 a tonne.

Mr Bob Hawke, the Australian Prime Minister is to visit China this week, touring Baoshan on Saturday and talks about the ore contracts are expected to be held in Peking. China also plans to invest as much as A$75m in Australian iron ore mining, Australian trade officials say, so that it can secure long-term supplies at stable prices, to train their own miners and to gain advanced skills in mine management.

France delays approval for Plessey modem

BY DAVID MARSH IN PARIS

THE difficulties facing governments trying to draw up common European telecommunications standards have been underlined by problems encountered by Plessey, the major British electronics manufacturer, in winning approval to introduce in France equipment requested by international clients.

Plessey has been seeking authorisation for about two years from the French telecommunications authorities to instal high-speed modems, which allow computers to communicate with each other along telephone circuits, at some of its French customers.

The high-speed 1600-2 modems allow high volume data transmission along leased international telephone circuits and cost more than £5,000 each. A small number of specialised customers such as banks, airline companies and hotel chains want the apparatus to complete their international data transmission network.

Plessey officials say the reason for the delay in approval is still not clear and talks are still going on with the French authorities. The modems have been accepted by other European countries.

The hold-up is ironic in view of the talks going on between telecommunications authorities in Britain and France on opening up each country's public sector markets for digital telephone exchanges. Both GEC and Plessey — the makers of Britain's System X exchange — as well as CIT Alcatel, which produces France's most modern exchange, the E.10, are involved in the talks, which have been continuing since the end of last year.

The Plessey equipment is particularly advanced, and as yet there are no internationally recognised standards for modems of this transmission speed, which could explain the delay. But Plessey points out that the modems have been accepted in West Germany, Belgium, the Netherlands and Switzerland as well as the UK.

The Paris authorities may be blocking approval because they wish to deny Plessey access to the market—the modem is not produced by any French manufacturer, although there are other foreign competitors.

SHIPPING REPORT

Smaller is more desirable in tankers

By Andrew Fisher, Shipping Correspondent

CHARTERING rates hardened in the tanker market last week, though interest in the largest vessels remained slack. The main demand was for tankers up to 100,000 deadweight tons.

There are still 32 VLCCs (very large crude carriers) and 10 ULCCs (ultra large) sitting in or near the Gulf, reported E. A. Gibson Shipbrokers. These totalled nearly 11.5m dwt. "With such an overhang it is obvious that it will take many months indeed to dispose of this quantity." It saw no chance of the market improving sufficiently in the short term to absorb the surplus.

But the picture was different for smaller ships. One cargo of 60,000 tons obtained Worldscale 95 from the Gulf to Inchon in South Korea, with a 71,000 ton cargo to Brisbane, Australia, fetching Worldscale 71—both rates were higher than previous weeks.

Gibson said rates from Indonesia had also moved up, with Worldscale 52½ paid for a 115,000 ton cargo to Europe. There was also more business out of West Africa, with many charterers seeking tonnage from 80,000 dwt up to VLCCs of over 200,000 dwt.

In the dry cargo market, trading was thin. Denholm Coates said inquiries for time charters had expanded, however, Charterers were prepared to pay up to $2,000 a day extra for the most fuel-efficient vessels compared with older, thirstier ones.

Looking ahead, Matheson (Chartering) said recent increased activity in coal and iron ore shipments should be reinforced in the next two or three months by a seasonal rise in grain movements.

The pace tended to quicken in the North Atlantic in the weeks ahead of the opening of the St Lawrence Seaway/Great Lakes in early April.

Competition for tonnage would also start to build up as grain shipments from the River Plate in South America begin to develop. In the Far East, Japanese activity tends to expand in February and March, as charterers clear their outstanding commitments before the fiscal year-end.

Canadians 'will miss' Singapore MRT deal

THE CANADIAN consortium bidding for the contract to supply railcars and mechanical and electrical equipment for phase 1 of the Singapore Mass Rapid Transit system does not expect to be among the three finalists being announced later this month, **Robert Gibbens reports from Montreal.**

Bombadier, co-leader of the Canadian group with Urban Transport Development Corporation of Toronto, said Japanese, French and British groups will probably be on the short list. The rise in the external value of the Canadian and U.S. dollar, differing inflation rates and the insistence by Singapore on fixed-rate bids in local currency on equipment to be delivered even after 1991 made the Canadian group's position extremely difficult.

Pakistan airline buys five Boeings

PAKISTAN International Airlines, the national flag carrier, is to buy five Boeing 737-300 series aircraft at an undisclosed price, in preference to the MacDonnell Douglas MD-82, **Mohammed Afrab reports from Islamabad.**

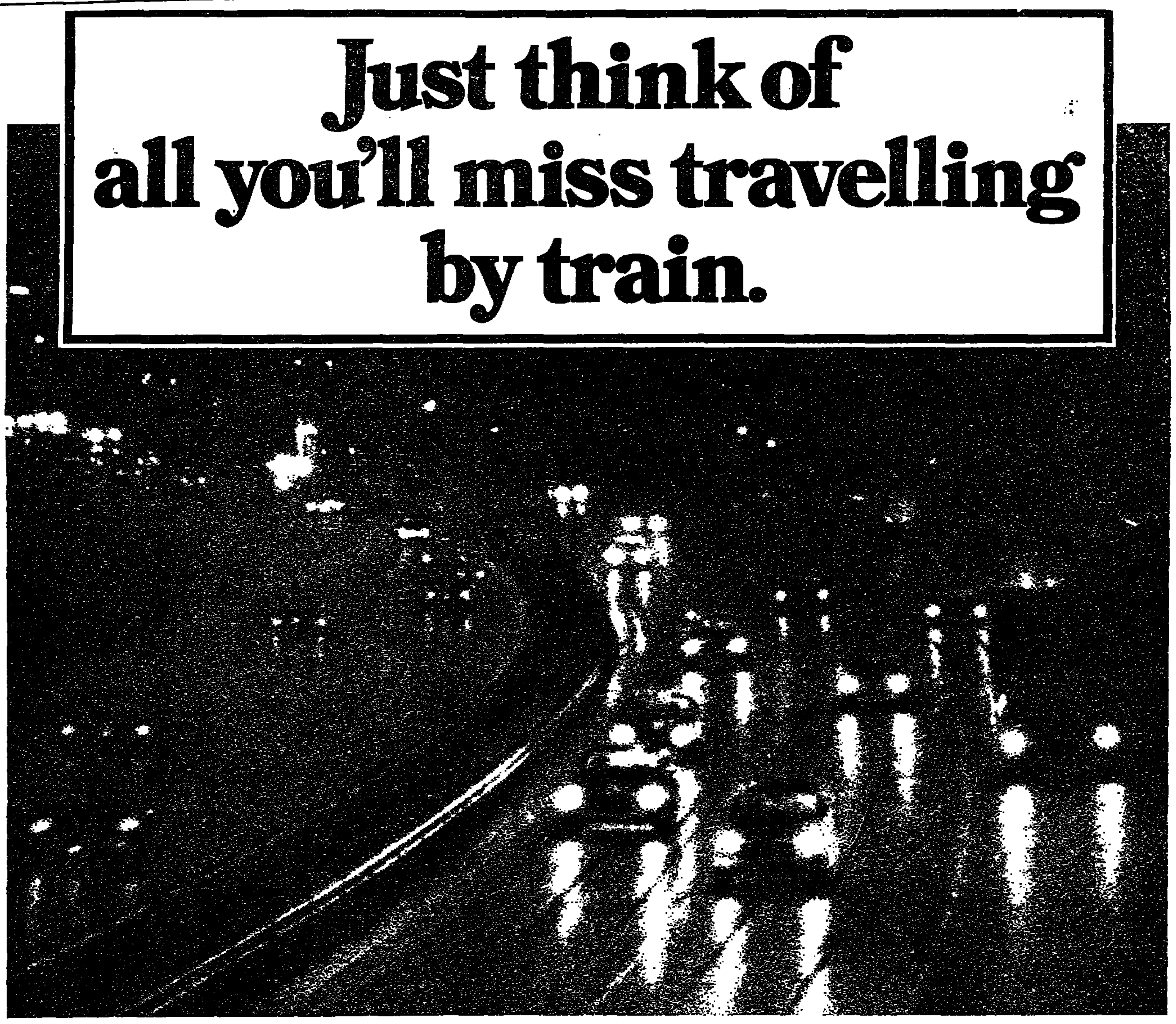
The 737-300s, seating between 120 and 140, will replace five Boeing 707 and Boeing 720 aircraft. The first will be in service by May 1985.

PIA has opted for the Boeing 737-300 instead of the MD-82 because the MD-82 is heavier than the Boeing and airport runways in the North and in Baluchistan would have needed strengthening at extra cost.

World Economic Indicators

TRADE STATISTICS

		Dec. '83	Nov. '83	Oct. '83	Dec. '82
U.S. $bn	Exports	17.2	16.9	17.0	16.3
	Imports	22.5	23.2	24.8	19.2
	Balance	−5.3	−6.3	−7.8	−2.9
UK £bn	Exports	5.9	5.3	5.2	5.0
	Imports	5.4	5.2	5.6	4.5
	Balance	+0.5	+0.1	−0.4	+0.5
		Nov. '83	Oct. '83	Sept. '83	Nov. '82
Japan $bn	Exports	13.28	12.58	12.30	11.02
	Imports	11.28	11.17	10.96	10.71
	Balance	+2.00	+1.41	+1.34	+0.31
W. Germany DMbn	Exports	37.5	36.5	37.3	35.5
	Imports	34.5	33.0	34.6	30.9
	Balance	+3.0	+3.5	+2.7	+4.6
France FFrbn	Exports	66.99	64.28	62.06	57.01
	Imports	68.90	65.18	61.74	64.16
	Balance	−1.90	−0.90	+0.32	−7.15
		Oct. '83	Sept. '83	Aug. '83	Oct. '82
Italy Lbn	Exports	10,341	9,875	8,275	8,195
	Imports	10,788	11,259	10,217	9,515
	Balance	−447	−1,384	−1,942	−1,320
Netherlands Flbn	Exports	17.25	15.99	14.22	14.47
	Imports	17.30	14.83	14.77	13.54
	Balance	−0.05	+1.16	−0.55	+0.93



Dublin and London in royal row

By Our Political Staff

THE BRITISH and Irish Governments appear anxious not to allow their public differences over the Duke of Edinburgh's visit to an army base in Northern Ireland last Friday to damage bilateral relations.

Both sides were hinting yesterday at a more sympathetic understanding of each other's position than was evident in the terse messages exchanged at the weekend.

Dublin protested strongly at the visit on Friday night through the British Ambassador. That prompted an icy reply from the Foreign Office, Northern Ireland Office and Ministry of Defence, which pointed out that the visit was "an internal matter for the United Kingdom."

The Irish accept that, while the British Government must protect Prince Phillip's position it does not direct his actions.

STABLE INFLATION RATE SEEN AS KEY TO GROWTH

Recovery 'can be sustained'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN's economic recovery stands a good chance of being sustained at an annual rate of around 3 per cent if inflation does not rise, Professor Walter Eltis, the Oxford University economist, says today.

In a paper written for Rowe and Pitman, the broker, Prof Eltis says most commentators now agree that the economy will expand by between 2½ per cent and 3 per cent this year.

But he says there is much controversy about whether growth will slacken in 1985 and 1986. Continued growth at about 3 per cent a year is highly important for the Government, he says, if it wants to realise its ambition of cutting taxes while at the same time restraining public borrowing. Growth of about 3 per cent is also needed to have an effect on unemployment.

Many economists with Keynesian leanings believe lack of stimulus from public spending and the continued growth of imports will combine to damp down growth.

However, Professor Eltis argues that if the money supply continues to grow significantly faster than the inflation rate, industrial investment will start to revive.

That would happen because people and institutions with excessive amounts of their money in liquid form would step up their investment in equities. That would create a snowballing rise in equity prices, until companies found that issuing equity had become a relatively cheap way of raising finance for productive investment.

Prof Eltis believes that process is already under way, but he says its continuance will depend crucially on the Government's success in preventing the inflation rate from rising again. If inflation did accelerate, the real value of the increasing supply of money could be wiped out.

In a separate analysis, Mr Christopher Johnson, Economic Adviser to Lloyds Bank, predicts a continuing rise in net borrowing by householders this year. House mortgages, he says account for 82 per cent of all borrowing by households. Last year the extra debt contracted by householders roughly balanced savings. But this year he expects total borrowings less savings will be about 2 per cent of householders' total income.

Mr Johnson has analysed the "household" sector rather than the "personal" sector, because the latter includes unincorporated businesses whose undistributed profits count as "savings."

This year he believes that household debt may rise to about 65 per cent of disposable incomes and 30 per cent of financial assets. However, he says: "These are still conservative, gearing well below those in the U.S."

Urgent £2m sought by TV-am

By Raymond Snoddy

TV-AM, the commercial breakfast television company, needs to raise an extra £2m to meet serious cash flow problems.

Shareholders will be asked for the further urgent financial support at TV-am's board meeting on Wednesday.

The request for more money is being linked with a package of cost-cutting measures, which include about 40 redundancies.

Mr Timothy Aitken, chief executive of TV-am, said yesterday: "I think the cash flow problem is a very serious one and without the support of the board, which will only come as a result of the package the unions have to agree, the company would be in dire straits within a matter of weeks."

The cash is likely to come in the form of loans, rather than new equity.

Wimpey announces plan to write off £35m

BY CHARLES BATCHELOR

GEORGE WIMPEY, the construction, engineering and property development group, has sold £63.7m worth of commercial property and announced plans to write off £35m on unprofitable contracts, mainly overseas.

Mr Cliff Chetwood, chairman for the past month of Wimpey, which is Britain's second largest house builder, said the company was disposing of the property interests in which it had only part ownership because this inhibited effective management and severely restricted the marketability of the investments.

The write-offs have occurred principally in three areas overseas: a dam which is nearing completion in Swaziland; mechanical engineering contracts in Saudi Arabia; and a housing development in the centre of Hong Kong.

"The £35m figure represents the most pessimistic view," Mr Chetwood said. "We have quite large litigation cases running."

"We have taken vigorous action to tighten management controls. There have been management changes on the operations side and I now look at every contract being carried out by the company every three months. We will have no losing contracts."

Wimpey is not due to announce its preliminary figures for 1983 until April. It increased pre-tax profit by £2m to £8.2m in the first half of 1983 on turnover of £816m, and analysts have forecast profits for the year in the £55m to £58m range.

In a statement issued over the weekend, Wimpey said that the overall balance of trading during 1983 had been satisfactory and the group's financial position remained strong. On Friday the shares rose 1p to 137p.

In future Wimpey plans to carry out property development on its own or in joint ventures in which it has a more active role in direction and management. The company is involved in property in the UK, in Europe and in the U.S. and plans to remain in all these three areas, Mr Chetwood said.

The property disposals will produce a profit over original cost of £60m. Wimpey has sold its half share in the Euston Centre, a commercial development in London's Euston Road, to Mr John Ritblat's British Land Company for £31.5m cash.

Wimpey is also severing a 24-year old link with Mr Harry Hyams' Oldham Estate Company, which built the controversial Centre Point office skyscraper in Central London. It will sell half of its 10.26 per cent stake to the Co-operative Insurance Society for £17m cash, with an option to buy the rest for a further £17.4m. Wimpey paid just £23,000 for this holding.

In further property moves Wimpey will be getting new partners in Ariel International, a property company active in the Netherlands and West Germany, and will see interests in eight other UK Property companies for £15.2m cash.

It is also expanding its international house building business with the purchase of Morrison Homes, a Californian company with $49m (£34m) turnover. Morrison, which builds about 400 homes a year, will be added to Monarch Homes of Houston, Texas, bought four years ago and now selling 1,000 homes a year.

Decisive action in the fields of property and overseas contracts is seen as reflecting the more aggressive management style adopted by Mr Chetwood, who became chief executive in July 1982. In recent years Wimpey, once the largest UK housebuilder, has been overtaken by Barratt Developments.

Tight target set for state spending

BY OUR ECONOMICS CORRESPONDENT

GOVERNMENT departments in Britain are told that the considerable over-run expected in their spending this year must be clawed back out of future years' budgets.

A public spending White Paper (government policy document) to be published on February 16 for plans up to 1986-87 will take no account of the extra pressure put on departments by this year's overshoot, and will allow almost no increase in real terms during the next three financial years.

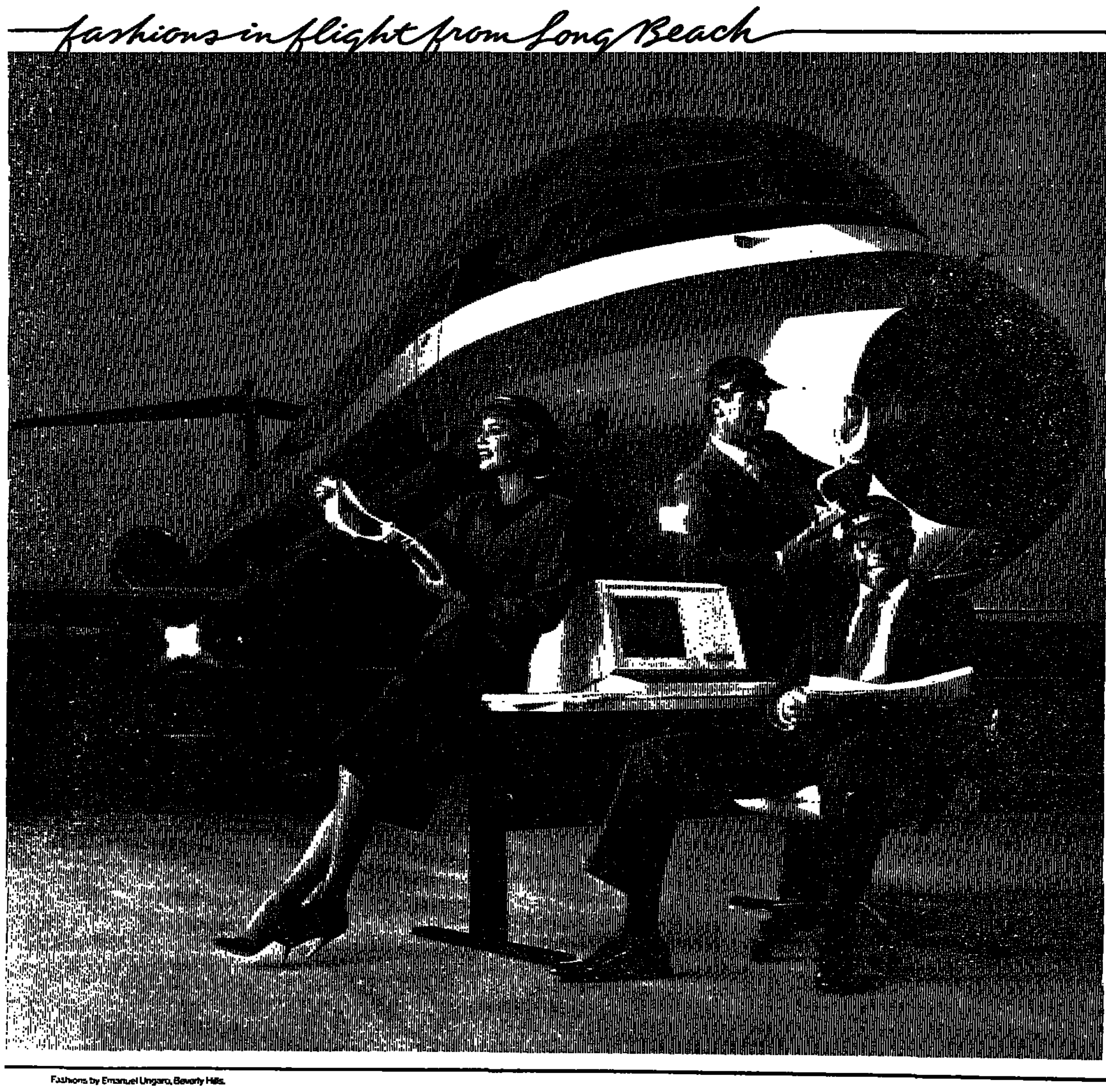
An extremely tight target for total spending of about £187bn will be set for 1986-87 – only about 8 per cent more in cash terms than the target for 1984-85 announced in November.

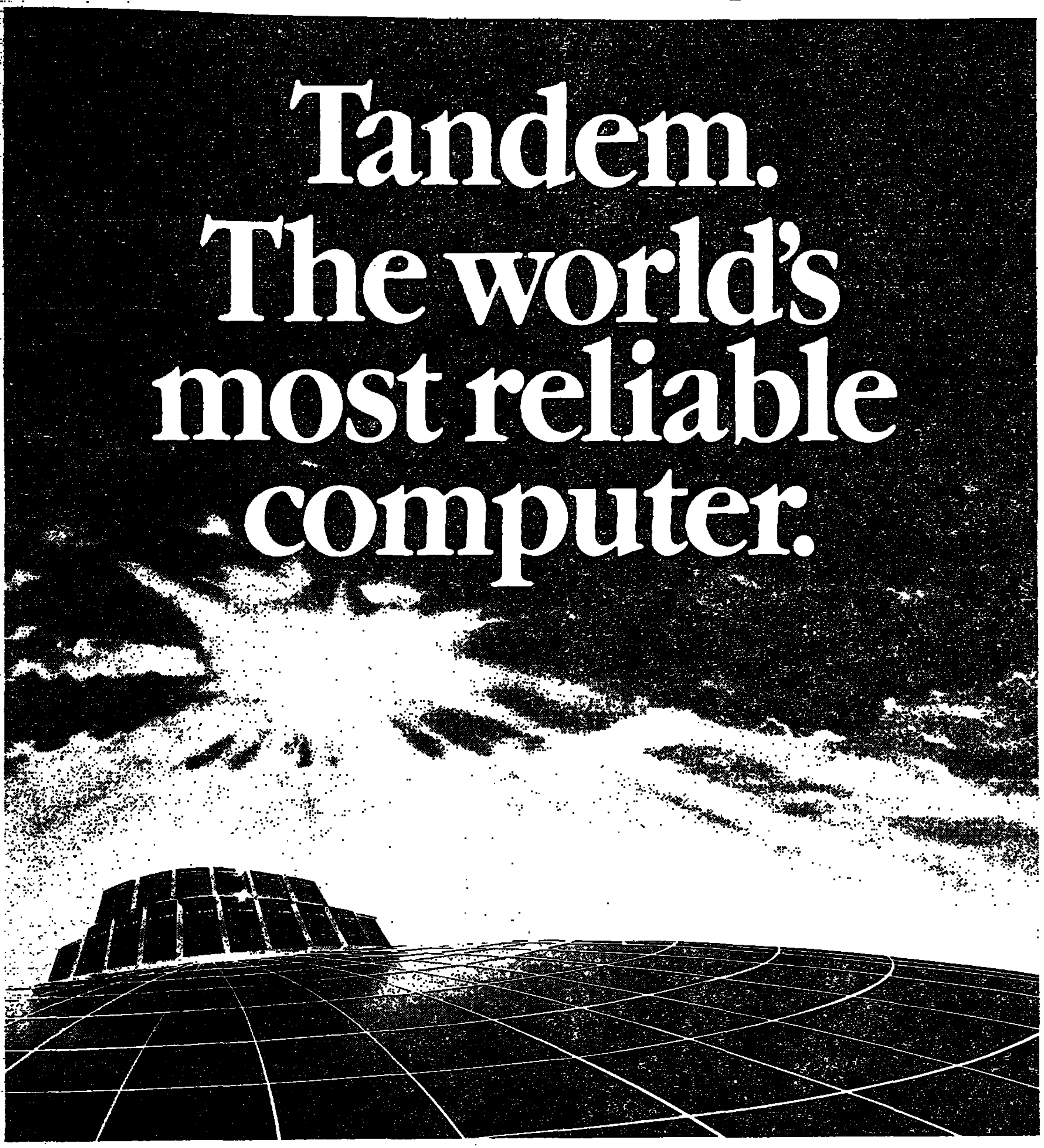
The full extent of this year's overshoot of spending targets will not be clear until after the budget in March when final figures for the financial year become available.

However, in the first nine months of the year, government departments' spending was running 3 to 4 per cent ahead of target which suggested a £2bn to £3bn overshoot for the year as a whole.

The reasons for the overshoot are not at all clear, but it is generally expected that the Public Sector Borrowing Requirement will be £2bn above its £8bn target, in spite of the fact that government revenues appear considerably more buoyant than was expected in March.

The White Paper will therefore imply a tight squeeze on departments if total public is to be brought back on to track. Tight inflation assumptions built into the plans will also squeeze departments, since they will get no cash to pay wage and other cost increases above those assumed by the Treasury.





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UK NEWS

Britain paid 1.3% more for oil in 1983

BY RICHARD JOHNS

THE PRICE of oil bought by the UK rose by 1.3 per cent in 1983, despite the 15 per cent cut in the dollar price in the first quarter of 1983, according to calculations by the International Energy Agency (IEA).

Other West European countries were more affected because of the decline in the value of their currencies against the dollar.

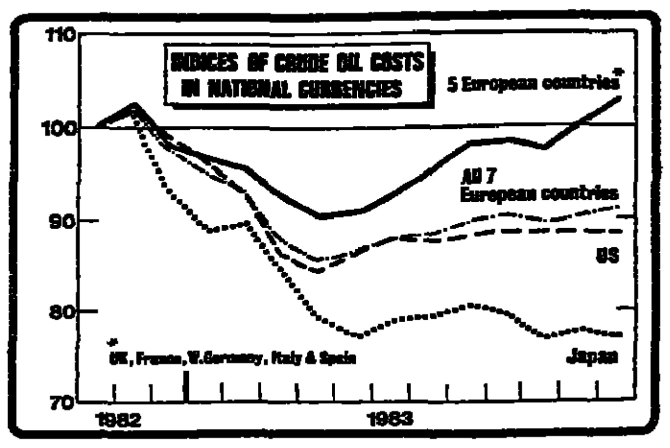
Spain suffered an 18.2 per cent increase in the peseta cost of each barrel. It was hardest hit among the five most populous states for which the IEA has given figures in its latest monthly oil market assessment.

Italy's unit oil costs went up by 3.5 per cent; West Germany's by 2.6 per cent; and France's by 2.3 per cent – giving an average of cost, measured in a basket of the five currencies, of 3 per cent.

In dollar terms, the weighted average official price of internationally-traded crude was $28.57 last month, about $4 less than in the early part of 1983, according to the IEA.

A higher average price on the spot market was recorded in January for North Sea oil, which rose by 37 cents per barrel to $29.93, only 10 cents below the official "composite" rate.

On the demand side, the Paris-based agency has projected a 2.4 per cent increase in consumption this year by members of the Organisation for Economic Co-operation and Development (OECD). This is on the assumption that their overall growth will be 3.5 per cent.



Any rise in consumption would halt the four-year decline which began in 1979. The trend was reversed in the second half of 1983 when demand was up 1 per cent on the same period of 1982. But for the year as a whole, at 33.6m barrels a day, it was still about 3 per cent below the level of the previous 12 months.

Total oil consumption in 1983, excluding centrally planned economies, is estimated by the IEA to have been 44.2m b/d. The IEA foresees it rising to 45.1m b/d.

There is little reassurance in the IEA's projections for the Organisation of Petroleum Exporting Countries (Opec) and the present price structure. It reckons that the requirement for its products will be 18.9m b/d, less any reduction of inventories.

That compares with actual Opec output in 1983 of 18.4m b/d (including 1m b/d of natural gas liquids).

The IEA, believes, that the reduction in inventories has probably reached its limit. Commercial stocks have reached their lowest level since 1979 as companies have tried to minimise storage costs.

In the OECD as a whole there was a decrease of stocks on land of 200,000 b/d during the last quarter – meaning that those elsewhere and at sea must have built up at a rate of 1.2m b/d.

The agency reckons that the 25m barrels of Saudi oil reported to have been placed in floating storage would have accounted for 300,000 b/d of the non-OECD increase.

Depending on inventory drawdowns, demand for Opec oil could be as high as 20.6m b/d in the first quarter, the IEA calculates.

Oil share prices ahead of assets

BY IAN HARGREAVES

APART FROM Britoil, the share prices of UK oil companies are running well ahead of the underlying value of the companies' assets, according to a report by stockbrokers James Capel.

Britoil's "foundation value" – mainly the value of its proven oil and gas reserves – comes out at £3.50 per share, against a share price late last week of £2.26.

By contrast, the foundation value of a company like Charterhall, which has interests in the North Sea and onshore, is running at only 28p a share, compared with a market valuation of 81p per share.

Even after adjustment for more determined factors, such as the quality of management and the location of reserves, Capel's conclusion is that Charterhall's share price is well beyond the point justified by the company's asset value.

On this same "adjusted" basis, however, most of the other companies have asset values and share prices reasonably in line with each other.

Britoil is again the exception, since the report assesses its foundation value at the same level as its adjusted value.

The asset value calculations are a feature of a seven volume publication – the UK upstream petroleum database, launched today by James Capel.

The computerised service will be updated twice a year, with more frequent updates for the exploration section.

Mr Martin Lovegrove, whose consultancy ML Petroleum Services was taken over by Capel last year, and who now works for the stockbroker, said the venture was an attempt "to provide an industry-based approach to the subject at a time of increasing corporate activity in the North Sea."

Tetra-Pak to expand Welsh operation

TETRA-PAK UK, the drinks carton manufacturer, is to double the capacity of its operation at Wrexham, North Wales, with a £10m investment which will raise its capacity from 1.8bn to 3.5bn cartons a year.

The company is part of the Swedish-owned Tetra-Pak International, which produces about 33bn soft drinks and milk cartons a year throughout the world.

Mr Bertil Hagman, chairman of the UK subsidiary, said the expansion would add about another 100 employees to the existing 280-strong workforce in North Wales.

The company's sales in the UK and Ireland were worth £57m in 1983.

● **MANAGEMENT** at the JCB excavator factory near Uttoxeter, Staffordshire, has carried out its threat to close the factory after workers refused to call off an overtime ban.

The company has released no official statement about the shutdown but has told 1,000 production workers not to turn up for work today.

Members of the General and Municipal Boilermakers' Union have operated the overtime ban for at least three weeks in protest against a planned £7.50-a-week pay rise.

● **ARROW AIR,** a small independent U.S. airline, wants to offer cut price fares this summer on its route from Tampa, Florida, to Gatwick, London. It has applied for fares of £215 single and £314 advance purchase excursion return.

These fares would be about 10 per cent lower than typical fares between London and Miami.

● **SIGNS OF** a trend towards long-term pay settlements appear to have "almost entirely petered out," according to Incomes Data Services, the independent pay research organisation.

Predictions that the trickle of long-term settlements which began to emerge towards the end of 1982 would turn into a flood have proved unfounded, says IDS in its half-yearly review of pay deals. There is only one new two-year settlement in the review.

UK NEWS

Licences for cable television to be delayed

BY GUY DE JONQUIERES

THE GOVERNMENT has told the 11 consortia to which it has offered interim franchises for multi-channel cable television systems that a legal snag will prevent it from granting them firm licences until late this summer, nine months later than originally planned.

The unexpected delay has caused confusion and uncertainty among the consortia, which were offered the franchises last December so that they could start work on cable systems before the Cable Television Bill received royal assent later this year.

Several of the companies hope to launch television entertainment services late this year or early next year. But now they fear that they may have to postpone their starting dates. That would be a setback to the Government's efforts to keep up momentum in the cable industry.

Several of the consortia are considering making a joint approach to the Government, asking it to seek a way round the obstacle. However, the view in Whitehall is that the Government has little room for manoeuvre.

Mr Leon Brittan, the Home Secretary, told the House of Commons last June that he hoped to grant the interim licences by November. But the Government has since concluded that it will not have the legal authority to issue them until the new Telecommunications Bill comes into force in July or August.

Instead, it has offered the consortia, which were chosen from a list of 37 applicants, either letters of intent promising them licences after the Bill is improved, or provisional licences issued under the existing 1981 Telecommunications Act.

Some of the consortia say it might be difficult to raise funds to build their systems – expected to cost as much as £30m each – until they know the details of their licences. These, however, may depend on the form in which the new Telecommunications and Cable Bills are passed by Parliament.

"Our institutional shareholders are very much against drawing down share capital until they get something firmer than a letter of intent," Mr Patrick Scott of Aberdeen Cable Services said yesterday. The consortium's members include the ICFC, Aberdeen Trust and American TV and Communications.

Mr Bill Nixon, of Merseyside Cablevision, said his group wanted to start placing orders for cable equipment by Easter. But if no way of overcoming the licence delay was found within the next fortnight, his group would be unable to start its service next January as planned.

Westminster Cable also doubts whether the Government's current proposals will be enough to secure financial backing. "It is not clear to me now what has been gained by the whole frenetic business of the interim franchises," said Mr Michael Storey, its managing director.

But several other franchise groups, including Clyde Cablevision, Ulster Cablevision, Swindon Cable Services, Coventry Cable and Rediffusion said the licence delay was not expected to have any immediate impact on their plans.

The Cable Television Association, the principal industry organisation, said the consortia were likely to be affected in different ways, depending on when they planned to start operations, their shareholders and their financing arrangements.

Competition urged in defence sector

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

SAVINGS of up to 20 per cent in the annual defence budget could be achieved if the Government contracted out activities traditionally supplied by the armed forces, and if it introduced more competition and fixed price contracts into the defence sector.

Dr Keith Hartley, a leading defence analyst, argues in the latest issue of Economic Affairs issued today that savings of up to £1.8bn a year could be achieved in the current budget if such methods were also applied to defence research and development, and to production, repair and training elements of the defence budget.

Dr Hartley argues that Britain will face major defence choices in the 1980s. With rising weapons costs and a limited budget, it will not be able to meet all its military commitments.

Faced with this prospect, he argues, Britain has limited options. It can choose to cut back on social services to be able to afford increased defence spending, or it can sacrifice efficiency in the armed forces.

But the Government would need to do none of these things if it sought lower cost methods of acquiring weapons and defence services, including more privatisation as well as more contracting out.

Dr Hartley notes that State support for British defence contractors has created non-competitive markets.

The military armed forces are over-protected, Dr Hartley argues. He says that many support roles could be contracted out to the private sector, while the Government's aim should be to create a market in which foreign and UK firms were rivals for fixed price contracts.

Such policies would encounter "massive opposition" from established interest groups complaining about the loss of jobs or advanced technology, but while "such arguments seem persuasive they are usually lacking in economic analysis and empirical evidence", Dr Hartley suggests.

UK NEWS

Second mining union moves towards pay deal with coal board

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE 45,000-strong National Association of Colliery Overmen, Deputies and Shotfirers (Nacods) has told the National Coal Board (NCB) that it will accept a pay deal worth the same in cash terms as the board's present offer but revised to give more on basic and less on overtime pay.

Agreement between Nacods and the NCB would further isolate the National Union of Mineworkers. The union is committed to an overtime ban which has lasted 14 weeks, with the loss to date of nearly 5m tonnes of coal and £47m in wages.

The 16,00-strong British Association of Colliery Management (BACM) says it will accept the 5.2 per cent pay rise, breaking the customary united front presented by mining unions on pay.

Mr Ken Sampey, the Nacods general secretary, said yesterday that the association had demanded that the rise in overtime and weekend payments be transferred to the rise in basic rates. He claimed that that would not alter the cost of the pay rise. He said he expected the NCB's response in the coming week.

The demand followed a widespread consultation of Nacods members in which the present offer was strongly rejected, while a similar consultation among BACM members showed a strong feeling for acceptance.

The NCB is, however, likely to be cautious about increasing the basic rate, since that would "knock on" both to the BACM members who have already settled and to the 5.2 per cent increase on the mineworkers' basic, which has been repeatedly described as final.

● The NUM and NCB will on March 26 test the issues involved in the control of the board's £2bn pension fund.

The NUM, which has 50 per cent representation of the fund's board, has vetoed all investments overseas, or in alternative energy sources to coal.

Kenneth Gooding on the shy man who leads a Japanese advance in the UK

Paving the way for Nissan

MR OCTAV BOTNAR, chairman of Nissan UK, has had a profound influence on the British motor trade. *If Nissan goes ahead with the car manufacturing plant in the UK announced last week, he will have helped to change the face of the whole British motor industry.*

He had already reached the age when many men are considering retirement when in 1970 he took over the Datsun car franchise in Britain. He quickly built sales from 15,000 to around 100,000 a year, which gives Nissan a market share of about 6 per cent. There are now nearly 1.5m Datsun-Nissan cars on UK roads.

Britain is the only market in the world where Nissan, the second-largest Japanese vehicles group, outsells Toyota, Japan's largest.

Thanks to Mr Botnar's efforts, Nissan sells more cars in Britain than in Belgium, France, Germany, the Netherlands and Ireland together. That was a major factor in Nissan's decision to set up a pilot car assembly plant in the UK, possibly leading to a substantial manufacturing facility.

Mr Botnar is a short, stocky man with the face of a cherub. His rivals say he is arrogant and ruthless. Yet there are senior executives within Nissan UK (recently renamed from Datsun UK) who have worked with him for 20 years, and he has built up a body of very faithful dealers.

He is a workaholic and still extremely energetic although he is at least 70 years old. He is not comfortable to work with because he shoots off one idea after another, leaving his minions with the often difficult task of filling in the detail.

Mr Botnar abhors publicity. Typically, he kept himself well away from celebrations and formalities surrounding the signing on Wednesday of the agreement between the UK Government and Nissan. He ordered his Nissan UK executives to stay clear too.

But yesterday, when the fuss had died down, he joined Nissan's president, Mr Takashi Ishihara in London to cement old friendships.

Mr Botnar's publicity-shyness has given him the reputation of being a mystery man. There are various stories about his actual birthplace and his early life, but he refuses to discuss them.

To some extent this attitude springs from his instinctive feeling that perhaps it would not do Nissan car sales much good if he became too widely known as the German who made a fortune from selling *Japanese cars to the British.* (He now holds a West German passport).

There are practical reasons too. Rich men profiled in newspapers and magazines all too often have their houses burgled shortly afterwards.

More seriously, for someone who travels extensively on the European Continent (he has homes in Spain and Switzerland and owns the Nissan car import business in Switzerland), there is the possibility of becoming a target for some extremist organisation there. Mr Botnar does not relish the idea of employing permanent bodyguards, as is the case with many other senior executives in the continental car companies.

'My contract with Nissan goes on forever. The problem is that I won't go on forever.'

In fact, he has never gone in much for the trappings of wealth. The big money spent at the Nissan UK headquarters at Worthing has been to improve productivity, not to provide lavish offices.

However, the company pays well. The accounts show that in the year to July 31 1983, the nine directors shared £743,000 between them, giving an average of £82,500 each.

Mr Botnar himself was paid £75,000 as chairman that year, while the highest-paid director collected £190,000.

Datsun UK, as it was then, had a turnover of £308.2m (1980-81 £302.6m) in that financial year and a pre-tax profit of £50.5m (£56.1m). It paid out dividends of £14.74m (£14.63m). According to the annual report, "the directors consider that the ultimate holding company is European Motor Vehicles BV, which is incorporated in Holland."

It is clear when talking to Mr Botnar that making money is not at the top of his list of personal priorities. His only child, Camilla, was killed in a road accident on Christmas Eve 1972. Subsequently Mr Botnar switched his majority shareholding in Datsun UK to an offshore, independently-managed trust which uses the dividends to finance the Camilla Botnar Foundation.

The foundation has converted Ivorys, a 40-room mansion standing in 50 acres of its own grounds, into a centre for "children and young people and all who are concerned with their wellbeing." The centre, at Cowfold, Sussex, began its work in June 1981.

Datsun UK directly supports the Datsun Foundation for Handicapped Children, and the accounts show payments in excess of £250,000 each year as charitable donations. In December last year Datsun UK contributed *£700,000* towards the Charing Cross Medical Research Centre in London.

What we do know for certain about Mr Botnar's early career is that he arrived in Britain in 1967 after some years in the motor business in Germany. He was sent by NSU to reorganise the UK concession. By 1969 he had increased NSU sales from 1,500 to 10,000 a year.

When NSU and Audi merged in Germany, Mr Botnar handled both franchises until the Thomas Tilling group, which already had the concession for Volkswagen, parent company of NSU-Audi, took them over. Mr Botnar decided not to stay with Tilling and – with two other NSU import company executives, Mr Michael Hunt and Mr Frank Shannon (both still with him today), cast around for another agency for new cars.

They found Datsun, then more or less unknown in Britain, but whose cars had first come on to the market in 1968.

After Mr Botnar took over Datsun imports he had some luck in that the Conservative Government of the day decided to "go for growth." Demand for new cars was booming but the British manufacturers could not meet it.

At that time, too, British Leyland and Ford were reorganising their dealership networks, cutting out the smaller dealers who were ideal recruits for Mr Botnar.

His third piece of luck was that Japanese manufacturers, including Nissan, were growing rapidly with increases in productivity unheard of in the West, and a currency level that failed to reflect the real power of the Japanese industrial machine.

Mr Botnar was able to import cars at low prices and include items like radios as standard equipment, while other manufacturers still insisted that customers paid extra for them.

Mr Botnar also disregarded the usual two-tier distribution system. At that time there were two types of dealer, main dealers, and retail dealers; the latter dealt with the main dealer rather than the importer or manufacturer. He led the way – most other manufacturers now use a single-tier system in the UK.

When conditions in the trade during the post-oil-crisis period in the mid-1970s became difficult, Mr Botnar came up with another revolutionary idea – low-cost hire purchase. It was a classic example of his logical thinking. If the customers were reluctant to buy the cars because they could not afford the monthly repayments, reduce the monthly repayments. And to make this scheme work, Datsun UK set up its own finance business with the help of the Lloyds and Scottish finance house.

As Datsun car sales grew, Mr Botnar set up prestige outlets in town centres. Now the company owns 16 of the 425 Nissan dealerships in the UK. He has given assurances that he has no intention of going much further into competition with his independent dealers.

Mr Botnar was an outspoken opponent of the 1975 "gentlemen's agreement" between the Japanese and UK motor industries which now limits Japanese car sales in Britain to a maximum of 11 per cent each year.

But when it became obvious that restrictions were to become semi-permanent, he first encouraged Nissan to look at Britain as a production centre – which has now brought results – and enlarged his company's scope so that it imports Nissan fork-lift trucks and commercial vehicles from Japan, commercials from Nissan's Spanish subsidiary and cars from the joint project company owned by Nissan and Alfa Romeo in Italy.

Nissan says its contract with Mr Botnar's company is for three years, but it is automatically renewed unless either party decides a change is needed. Mr Botnar says his contract with Nissan "goes on forever. The problem is that I won't go on forever."

Call for joint action on office equipment

BY ANDREW TAYLOR

ABOUT 50 BRITISH office equipment manufacturers have been asked to explore possibilities for collaboration in a bid to combat competition from major international companies like IBM and Olivetti which dominate the UK market.

The initiative has been launched by the office equipment sub-committee of the National Economic Development Council.

Mr Campbell Christie, chairman of the committee says: "In many parts of the industry, UK manufacturing activity comprises small companies with limited product ranges competing against large international companies capable of mounting a powerful marketing effort and of providing entire ranges of products."

Letters were sent at the beginning of this year asking British manufacturers of microcomputers, minicomputers, micrographics and word processing equipment and telex and text devices to explore potential for co-operation.

The next step will be to organise a meeting of manufacturers to discuss specific measures and programmes that might be undertaken.

To begin with this might involve simple objectives such as mounting an exhibition or establishing a comprehensive catalogue of office technology available in the UK, says Mr Christie.

Office equipment accounts for about a quarter of total UK output by information technology companies.

Change in tax relief boosts life business

BY ERIC SHORT

LIFE ASSURANCE companies operating in the UK had one of their most successful years for decades last year, thanks to Miras, the Inland Revenue's new *system* of crediting tax relief on house mortgage interest.

New annual premiums in 1983 rose by half in 1983 from £1.03bn to £1.53bn, according to figures released by the three life associations – the Life Offices Association, the Associated Scottish Life Offices and the Industrial Life Offices Association.

In 1982, new annual premiums on individual life and personal pensions contracts advanced by only 12 per cent.

Single premium business continued to be buoyant last year, rising by half from £1.84bn to £2.43bn, due to the growing popularity of linked life bonds as an investment product.

New annual premiums on ordinary life business rose by more than 90 per cent last year from £420m to £812m, with most of this growth coming from strong sales of Miras-related business.

TENDERS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (C), WATLING STREET, LONDON, EC4M 9AA NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 8th FEBRUARY, 1984, OR AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON TUESDAY, 7th FEBRUARY 1984.

ISSUE BY TENDER OF £1,000,000,000

9¾ per cent EXCHEQUER STOCK, 1998

MINIMUM TENDER PRICE £94.50 PER CENT

PAYABLE AS FOLLOWS:

Deposit with tender	£25.00 per cent
On Monday, 19th March 1984	£40.00 per cent
On Monday, 16th April 1984	Balance of purchase money

INTEREST PAYABLE HALF-YEARLY ON 19th JANUARY AND 19th JULY

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive tenders for the above Stock.

The principal of and interest on the Stock will be a charge on the National Loans *Fund, with recourse to the Consolidated Fund of the United Kingdom.* The Stock will be repaid at par on 19th January 1998.

The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty.

Interest will be payable half-yearly on 19th January and 19th July. Income Tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post. The first interest payment will be made on 19th July 1984 at the rate of £3.3381 per £100 of the Stock.

Tenders must be lodged at the Bank of England, New Issues (C), Watling Street, London EC4M 9AA not later than *10.00 A.M. ON WEDNESDAY, 8TH* FEBRUARY 1984, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England not later than 3.30 P.M. ON TUESDAY, 7th FEBRUARY 1984. Tenders will not be revocable between 10.00 a.m. on Wednesday, 8th February 1984 and 10.00 a.m. on Monday, 13th February 1984.

Each tender must be for one amount and at one price. The minimum price, below which tenders will not be accepted, is £94.50 per cent. Tenders must be made at the minimum price or at higher prices which are multiples of 25p. Tenders lodged without a price being stated will be deemed to have been made at the minimum price.

A separate cheque representing a deposit at the rate of £25.00 for every £100 of the nominal amount of Stock tendered for must accompany each tender: cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isle of Man.

Tenders must be for a minimum of £100 Stock and for multiples of Stock as follows:—

Amount of Stock tendered for	*Multiple*
£100—£1,000	£100
£1,000—£3,000	£500
£3,000—£10,000	£1,000
£10,000—£50,000	£5,000
£50,000 or greater	£25,000

Her Majesty's Treasury reserve the right to reject any tender or part of any tender and may therefore allot to tenderers less than the full amount of the Stock. Tenders will be ranked in descending order of price and allotments will be made to tenderers whose tenders are at or above the lowest price at which Her Majesty's Treasury decide that any tender should be accepted (the allotment price), which will be not less than the minimum tender price. All allotments will be made at the allotment price: tenders which are accepted and which are made at prices above the allotment price will be allotted in full; tenders made at the allotment price may be allotted in full or in part only. Any balance of Stock not allotted to tenderers will be allotted at the allotment price to the Governor and Company of the Bank of England, Issue Department.

Letters of allotment in respect of Stock allotted, being the only form in which the Stock may be transferred prior to registration, will be despatched by post at the risk of the tenderer, but the despatch of any letter of allotment, and any refund of the balance of the amount paid as deposit, may at the discretion of the Bank of England be withheld until the tenderer's cheque has been paid. In the event of such withholding, the tenderer will be notified by letter by the Bank of England of the acceptance of his tender and of the amount of Stock allocated to him, subject in each case to payment of his cheque, but such notification will confer no right on the tenderer to transfer the Stock so allocated.

No allotment will be made for a less amount than £100 Stock. In the event of partial allotment, the balance of the amount paid as deposit will, when refunded, be remitted by cheque despatched by post at the risk of the tenderer; if no allotment is made the amount paid as deposit will be returned likewise. *Payment in full may be made at any time after allotment but no* discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling ("LIBOR") plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such source or sources as the Bank of England shall consider appropriate. Default in due payment of any amount in respect of the Stock will render the allotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, Watling Street, London, EC4M 9AA, or by any of the Branches of the Bank of England, on any date not later than 12th April 1984. Such requests must be signed and must be accompanied by the letters of allotment (but a letter cannot be split if any payment is overdue).

Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the balance of the purchase money is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 16th April 1984.

Tender forms and copies of this prospectus may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 9AA, or at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 25 St Vincent Place, Glasgow, G1 2EB; at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfast, BT1 5BN; at Mullens and Co., 15 Moorgate, London, EC2R 6AN; or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
LONDON
3rd February 1984

THIS FORM MAY BE USED

TENDER FORM

This form must be lodged at the Bank of England, New Issues (C), Watling Street, London, EC4M 9AA not later than 10.00 A.M. ON WEDNESDAY, 8TH FEBRUARY 1984, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England (25 St. Vincent Place, Glasgow, G1 2EB) not later than 3.30 P.M. ON TUESDAY, 7TH FEBRUARY 1984.

ISSUE BY TENDER OF £1,000,000,000

9¾ per cent Exchequer Stock, 1998

MINIMUM TENDER PRICE £94.50 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

I/We tender in accordance with terms of the prospectus dated 3rd February 1984 as follows:—

Amount of above-mentioned Stock tendered for, being a minimum of £100 and in a multiple as follows:—

Amount of Stock tendered for	Multiple
£100—£1,000	£100
£1,000—£3,000	£500
£3,000—£10,000	£1,000
£10,000—£50,000	£5,000
£50,000 or greater	£25,000

1. NOMINAL AMOUNT OF STOCK

£

2. AMOUNT OF DEPOSIT(a)

Amount of deposit enclosed, being £25.00 for every £100 of the *nominal* amount of Stock tendered for (shown in Box 1 above):—

£

3. TENDER PRICE(b)

The price tendered per £100 Stock, being a multiple of 25p and not less than the minimum tender price of £94.50:—

£ : p

I/We hereby engage to pay the instalments as they shall become due on any allotment that may be made in respect of this tender, as provided by the said prospectus.

I/We request that any letter of allotment in respect of Stock allotted to me/us be sent by post at my/our risk to me/us at the address shown below.

February 1984

SIGNATURE ....

of, or on behalf of, tenderer

PLEASE USE BLOCK LETTERS

MR/MRS MISS	FORENAME(S) IN FULL	SURNAME
FULL POSTAL ADDRESS:–		
FT	POST-TOWN	COUNTY	POSTCODE

a A separate cheque must accompany each tender. Cheques should be made payable to "Bank of England" and crossed "New Issues". Cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isle of Man.

b The price tendered must be a multiple of 25p and not less than the minimum tender price. If no price is stated, this tender will be deemed to have been made at the minimum tender price. Each tender must be for one amount and at one price.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Christopher Lorenz examines the controversy over management education in the U.S. and Europe

Business schools under siege

HAROLD J. LEAVITT, in-house scourge and conscience of America's top business schools, shoots from the hip: "Japanese managers are good—very good. American managers look bad, very bad—they seem bumbling and inefficient. The Americans are business graduates, the Japanese are not. So the real source of America's industrial malaise must be the educators, the professors, on those blasted business schools."

This is not quite Leavitt's own view of things, though he runs it pretty close. Doyen of several leading business schools, first Carnegie-Mellon and now Stanford—where he is professor of organisational behaviour and psychology—he is reporting an increasingly popular chain of reasoning which has come to pervade the American business world in the last few years, as a reaction to two decades of what might be called "MBA mania."

America is not alone in its scepticism. The 60 per cent of top British companies which still deliberately choose not to recruit business graduates, and almost never to sponsor their studies (according to a recent survey by Harbridge House*) have a decidedly similar attitude. In effect they find the MBA (Master of Business Administration) to be: financially greedy; a misfit, all too likely to leave for greener pastures; too Americanised and over-theoretical; and, altogether, not particularly masterly.

In the U.S., the catalogue of woe allegedly extends to: over-reliance on quantitative analysis; obsession with short-term corporate performance, to the detriment of long-term strategy; neglect of the practical skills needed to implement decisions, especially in line management, bureaucratic-mindedness, and inability to think or act entrepreneurially; the almost complete absence of "leadership" skills; ignorance of technology, the international business environment, and many other "key factors"; and, altogether, a lack of the practical wherewithal to help run a real-life business.

Given that the U.S. education system produced over 60,000 MBAs in 1983, a good 12 times as many as in 1960, *and that—in contrast with Britain—almost every self-respecting American company* has until now always been happy to pay through the nose to recruit MBAs, this is quite some indictment.

Not that the professors have taken it lying down. At one extreme, some have dismissed much of it as anti-intellectual nonsense, though agreeing that some of the lesser schools could well be put out of business (500 institutions in the U.S. now offer MBA courses).

At the other, academics have often fallen back on the obvious retort: that, though business schools can try to lead opinion in new directions, they will inevitably reflect many of the attitudes *and standards of the world* around them—be it America's general obsession with quantification, or the short-term orientation of investors and financial managers.

After the initial thrusts and parries of the past few years a more constructive debate is now emerging on both sides of the Atlantic about whether and how the business schools should and could mend their ways.

On an elevated plane (see this page on January 30) there has been a revival of the old, near-philosophical debate about whether it is actually possible to teach the practical process of management, as distinct from the intellectual concepts of business analysis (hence the very real distinction between management schools, of which there are few, and business schools).

On a more down-to-earth level, business academics have started to produce far-reaching proposals for change: the latest, by two associate deans from the University of North Carolina, appears in the current issue of the Harvard Business Review**; among its many suggestions are that business school research should be made more practical.

But all is not talk. Several leading institutions have already responded with action. Professor Leavitt's Stanford which, with Chicago, has borne much of the criticism for being over-quantitative, has introduced courses in several aspects of "implementation," as well as on such qualitative themes as "power aspects of management," "excellence," and "creativity."

Having led the way with the re-establishment of courses in the management of production, Harvard has also appointed professors in several of the "softer" aspects of management, notably leadership, entrepreneurship, government relations, and ethics and social responsibility. In Britain, several schools are moving well away from U.S. practice; Manchester is embracing many of the attributes of non-academic "action learning," for example, while Philip Sadler, principal of Ashridge, is advocating "life-long learning" programmes in place of the U.S. "one-shot" MBA approach.

Yet confusion remains about the purpose and practice of business schools, prompting academics to add new facets to what will obviously be a long-running debate. The articles below examine two of the latest and most useful contributions: from the principal of Henley-The Management College, the oldest business school in Europe, and Leavitt's own diagnosis, which is proving highly influential on both sides of the Atlantic.

** Management training in large UK business organisations; by Kate Asher; Harbridge House Europe, 3 Hanover Square, London W1R 9RD (01-629 6341); £12.*

*** "Are business schools doing their job?"; by Behrman & Levin; HBR January-February 1984; reprint No 84101. From Harvard Business Review, Boston MA 12163, USA.*

How West Germany and Japan educate their budding executives

TOM KEMPNER has had quite enough of the popular wisecrack that the industrial weakness of the U.S. and Britain is the fault of their business schools, whereas the strength of Japan and (until recently) West Germany results from the fortunate absence of these iniquitous institutions in the two countries.

"British managers are not having the hell knocked out of them by amateurs, but by professionals," snaps Professor Kempner. This professionalism consists not just of a host of practical skills which have been learned on the job, but all the benefits of a business education — notably the ability to think rigorously about all the complexities of doing business today.

The principal of Henley has not only ceased to be amused by the joke about Anglo-Saxon business schools, he also contests its base in fact. He agrees with Professor James Ball, his counterpart at the London Business School (LBS), that Germany and Japan "make an enormous educational effort in preparing people for entry into business." It's just that the Germans and Japanese prefer to do so at undergraduate level, and then follow up directly with internal company training programmes.

In other words, the prime reason why business schools are so necessary in the U.S. and UK is that undergraduate education in business studies is so rare. One might well add a secondary factor, that in-company training often also falls short.

Complaints

Writing in the newly-published winter edition of the Journal of General Management*, Professor Kempner argues that "given the length and thoroughness of German undergraduate degrees, it is not surprising that MBAs have not been needed." One of the most popular courses, Betriebswirtschaft (business economics) can last up to six years. Many engineering students also spend the final two years of their long six-year course studying business administration, stresses Professor John Stopford of LBS, who frequently teaches in Germany.

Countering widespread complaints that Anglo-Saxon business schools are too theoretical, Kempner points out that German undergraduate business education is intentionally strong on theory.

It's a similar story in Japan, according to Kempner. Not only does a remarkably high proportion of the population go to university, but the management or "skill content" of the many in-company programmes attended by budding and rising Japanese managers "is similar to business courses in the west."

In Britain, by contrast, just a tiny proportion of school-leavers goes on to further education, so "the *solid foundations of substantial numbers of* undergraduates and postgraduates are missing." Not only does Britain award *only about* 3,000 undergraduate business degrees a year, at universities, polytechnics, technical colleges and elsewhere, but unlike the U.S. it then compounds the problem by sending only a few people to postgraduate business schools.

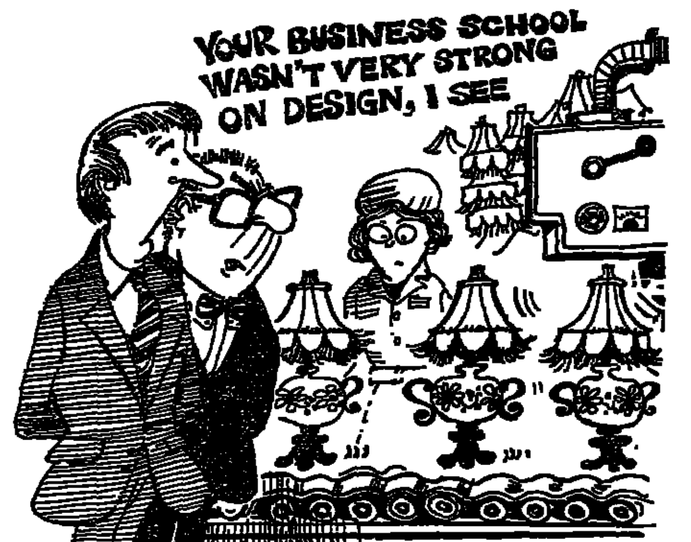
The current annual output of barely 1,000 full-time MBAs has hardly changed since the early days of British business education in 1970, says Kempner; the British total has actually fallen, with well over a third of the graduates now coming from abroad. The recent launch of part-time masters courses has restored the total, but Kempner fears that the quality of some of them may fall short; on the other hand, critics of business schools argue that they may prove more relevant to practising managers.

Faced with similar problems in undergraduate education, why have the U.S. and the UK gone such different ways in the postgraduate sector? Kempner attributes much of Britain's inertia towards full-time business education to its "long anti-intellectual tradition, which devalues education and training, particularly of a vocational kind" — hence his crack about amateurs and professionals.

Growth in the number of business *school post-experience* courses might have been expected to compensate, but they are too short, he complains.

Whatever the perceived shortcomings of the over-sold and technique-obsessed MBA in America, Professor Kempner's article constitutes a strong case for more business education in Britain.

** Vol 9, No 2 Winter 1983/84. Subscription and single copy details from Henley — The Management College, Greenlands, Henley-on-Thames, Oxfordshire RG9 3AU.*



Harold Leavitt: teaching people 'to listen to their guts'

"PATHFINDING," "problem-solving" and "implementation" are the three essential elements of management. Companies and business schools have been obsessed with problem-solving—the most analytical piece of the jigsaw—for most of this century, though they have at last begun to pay attention to the third.

But pathfinding, which is one of the keys to *Japan's* industrial success, remains "the orphan of Western management and management education."

This, in essence, is Professor Harold Leavitt's challenging critique of Anglo-Saxon management, and of American *and British business schools.* "We profess to be schools of management," he complains, "but what we actually are is just schools of financial analysis and analytical problem solving. We need to do much more."

Problem-solving ("analysis, *thought* and *reason*") *still* represents almost the entire effort of many business schools, according to Leavitt: he estimates that about four-fifths of the MBA curriculum in top American schools is concerned with it in one way or another.

Implementation ("*acting*, changing, doing") has attracted growing attention since the late 1970s in response to the clamour for business education to be made more relevant to practical issues in fields like production.

But pathfinding ("mission, innovation and vision") has been not only entirely neglected, he says, but actively fought by the problem-solvers and implementers.

Analysis

Leavitt's trenchant view of America's shortcomings goes much further than most of the recent attacks on U.S. managers and business education. It not only focuses on the difficulties *of linking the middle and last* elements of his management "model," analysis and implementation, but also gets to grips with the widespread absence of pathfinding (in Leavitt's terminology this overlaps with part, though not all, of what others call "leadership").

Describing the role as "pro-active" rather than "reactive" (the nature of problem-solving), he likens it to the function of an architect in the construction process. Such people "don't try to forecast the future, they try to create it," he argues.

Leavitt distinguishes pathfinding from leadership. One form of leadership—often called "transactional"—is concerned with getting people to implement things. It is, he says, dealt with by social psychologists as a set of functions and processes, rather than as traits and attitudes. But another form of leadership — "transformational"— is one of the pathfinding skills.

But can this imprecise concept be taught, at a business school or anywhere else?

At a public presentation of *his views in the London Business* School's series of Stockton Lectures last year, Leavitt largely ducked the question*. He has *subsequently* pointed to various developments in cognitive psychology as pointing the way forward, and is himself trying to teach it as part of his course at Stanford on "implementing change"—one of the most fashionable subjects in the U.S. at present, but which is usually taught mainly in terms of processes rather than vision. Leavitt crystallises the distinction by saying "I'm teaching people to listen to their guts—to treat the subjectives as relevant data."

**Reprinted in Vol. 8, No. 1 of the London Business School Journal.*

TECHNOLOGY

EDITED BY ALAN CANE

NOVEL OFFICE WIRING SYSTEM

Flat cables for the long run

BY GEOFFREY CHARLISH

POWER, TELEPHONE and data cables can be taken under the carpet to work stations in open plan offices at low cost and with no office disruption using a flat cabling system called Versa-Track from the U.S.-based company Thomas and Betts.

The original idea arose in the Nasa Apollo moon landing programme in order to conserve space and has already been commercially exploited in the U.S. Its introduction in the UK is timely because increasing numbers of companies are being forced to reorganise their office cabling to cope with an influx of word processors, personal computers and other office electronic units.

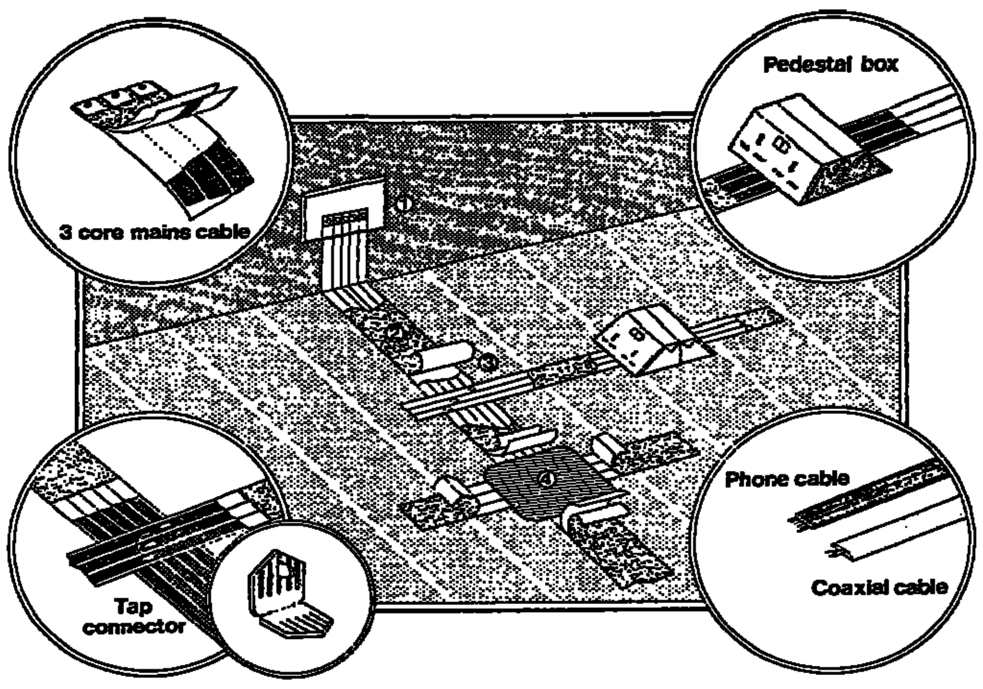
Underfloor ducting may exist but is in fixed positions, so that optimised workstation layout may not be possible. Often, such

Most installation will be in existing buildings

ducting is full up, so the prospect arises of vacating the office while floors are chased out and new ducting is installed. Later, if the desk layout has to be changed, trailing lengths of both mains and signal cable can start to appear.

Versa-Track is only 0.034 in thick and produces no perceivable "hump" when laid. Carpet tiles are recommended since they too can be easily taken up and re-arranged.

The mains cable consists of three thin, spaced, copper strips about 0.75 inches wide enclosed on each side by laminated polyester strips covering the full width of about three inches. Under the cable is a further plastic strip to protect it from floor grit or other imperfections and above is a full-width copper shielding strip which is welded to the central earth conductor at intervals.



All the supplies for office workstations can go under the carpet in this new flat cable system from Thomas and Betts. Mains cable (2) is taken from conventional wall boxes (1) and junctions (3) are made in minutes, covered by insulating cover (4). Insets show other cable types and components

The complete sandwich comes off a reel to simplify laying and reduce installation time.

The signal coaxial cable is about 0.085 inches diameter and is moulded within a plastic strip 0.5 inch wide. It is manufactured in 50, 75 and 93 ohm characteristic impedance and although more lossy than normal full size cable, can give satisfactory results in lengths up to 200 feet.

Of equally low profile, the telephone cable is made with either three or 25 pairs; the former is about 0.25 inch wide.

Any combination of the cables can be laid in adjacent runs and then protected against sharp edged impacts from above by means of a thin mild steel strip. The whole is fixed in position on the floor with heavy duty tape.

Versa-Track is Underwriters' Laboratory (UL) listed and has also gained all important BBA (British Board of Agrément) approval. It can also be installed in accordance with the 15th edition of the Wiring Regulations of the Institution of Electrical Engineers.

A system of connections has been developed for Versa-Track mains cable. Changes of direction of the run are achieved simply by folding the cable into the new direction. "T" junctions are also possible by drilling holes in the crossed cables and inserting crimping plates to give sound electrical connections using a hand crimping tool. The joint area is then covered with an insulating plate.

Similarly, drilled end plates are crimped to the cut end of the cable and are used to make connections to three terminals in a wall box that is part of an existing conventional ring main or similar circuit.

The cable is connected in a similar fashion to pedestal boxes screwed to the floor which house normal three pin mains sockets, placed as near as possible to the equipment they are powering.

Some remarkable time and cost savings are claimed for Versa-Track. Starting from scratch, a complete, average office can be cabled up for about 60 per cent of the cost of a conventional ducting approach (and the latter cannot easily be modified). It takes about five minutes to add a branch circuit to an existing layout.

The company expects that most Versa-Track installations will be in existing office buildings where managers are faced with installing local area networks for example (rings of cable that connect up personal

Work can be carried out in two days.

computing and word processing workstations). Versa - Track could allow such work to be carried out in two days rather than two weeks, claims the company, and office work can continue while installation proceeds.

But the system also has advantages in new building work. Conventionally, after the electricians have laid conduit and trunking, a screed of several inches of concrete is used to cover and produce the final floor level. This is obviated with the new cabling system.

The cross sectional area of each of the power conductors is 5.5 sq mm and the company rates them at 30 amps. The voltage rating is 500 volts.

Thomas and Betts has had a distribution network for its products for many years and this will be selectively used for Versa-Track. More on 0582 597271.

Security

Speaking alarms

A MICROPROCESSOR-controlled unit from Kalami of Slough will automatically dial phone numbers and "speak" alarm messages when activated by fire, intrusion or other detectors.

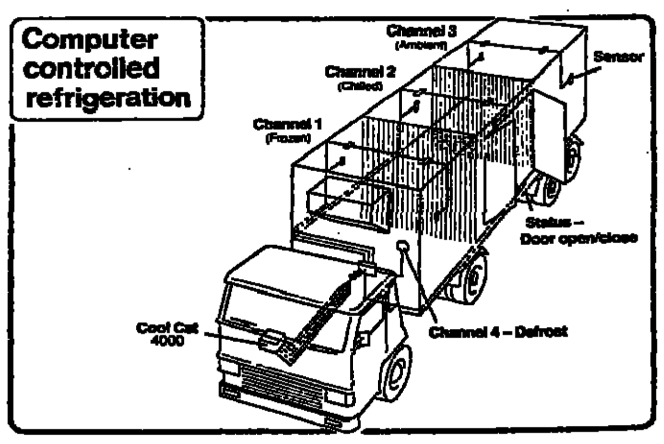
The device remembers any two phone numbers programmed into it and these can be changed at will. In the event of an emergency the system will dial the first number and if it gets an answer within one minute will give a spoken alarm message.

If the first number is engaged or unobtainable the unit tries the other and will pass the same alarm message. It will also "talk to" the user when he is setting it up, and will "shout" fire or intrusion alarm messages.

Kalami says that this is the first system of its kind to obtain British Telecom approval for connection to the phone network.

Refrigeration

How food lorries keep their cool



PRECISE INFORMATION about the temperature at various points inside articulated vehicles carrying frozen food can be obtained in the driver's cab using new computer-based equipment from Systematic Micro of Ascot.

The first systems are on trial with UK frozen food distributor Christian Salvesen which owns about 400 of the 20,000 articulated refrigerated lorries in the UK. There is a potential market of a further 100,000 vehicles in Europe and at least as many in the U.S.

The development is important because until now drivers of such vehicles have had no clear idea of the temperature history of the food they have been carrying. Most customers demand that frozen food be at −18 deg C or below on delivery, and according to Alistair Robb, senior food technologist at Salvesen, it has not always been possible to guarantee even that.

Consequently, whole loads have been rejected by customers at costs ranging from £30,000 to £80,000.

If a lorry makes too many delivery drops per run, the heat ingress due to opening the doors means that it could take three hours to get back down to −18 deg C. A limit of six drops per run was therefore imposed.

But Salvesen had to uncover these problems the hard way with expensive recording thermometers. There was a clear need for the driver to have comprehensive knowledge about the trailer temperatures, in his cab.

So in conjunction with Systematic Micro, a system called Cool Cat was developed, in which an almost unlimited number of semiconductor temperature sensors can be placed around and if desired, within the load of food.

They can be wired into eight channels, allowing discrete temperature areas of the trailer (for example, deep frozen, chilled and ambient) to be monitored. The sensor outputs of each channel are averaged and the results shown to an accuracy of plus or minus 0.5 deg. C. The driver's cab unit is about the size of a car radio and is easy to use, having only display showing channel number and temperature, printer paper output slot and three or four controls.

A separate portable unit with a simple keypad is used to program the cab micro with information such as delivery and driver number, vehicle number, the data storage interval, and upper/lower temperature limits. Out-of-limit temperatures are signalled to the driver.

The system can if desired record other events such as each opening of a door. In addition, it is capable of controlling the refrigeration plant on the trailer.

Readings obtained over a period of time can be printed out on the integral printer or extracted for computer analysis.

Managing director of Systematic Micro, Robin Cairns, believes there will also be a market for Cool Cat in smaller delivery vehicles making more frequent drops of frozen foods, and in fixed frozen food depots.

The approximate price for equipping a 22 tonne articulated vehicle is under £1,000. More informations on 0990 23377.

BY GEOFFREY CHARLISH

Paging

Message bleeper

A NEW paging service has started in London in which radio signals carry a two-line message of up to 80 characters to a small box of electronics that is portable.

Digital Paging Systems of North London offers the service for a daily rental of around £1 for each pager. Conventional paging equipment sends only a bleep—to alert someone, for example, to dial a specific telephone number—or transmits just a few words of text.

The company crams the information into a stream of digital signals that takes just over two seconds to transmit.

Digital Paging, which uses hardware made by Motorola, says it wants to extend the new service to other parts of the country.

Photography

Instant slides

POLAROID has launched a instant 35 mm slide system which costs about £100. The company says that it can take only a few minutes to produce colour or black and white slide.

A new range of instant 35 mm films has been introduced with the processing system which comprises a manual processor, slide mounter and mounts.

Uses of the system include industrial, business, medical computer graphics as well as the more advanced amateur. The processor can process films in less than three minutes. More information from Polaroid on St Albans 59191.

THE ARTS

The Mastersingers of Nuremberg/Coliseum

Max Loppert

The first English National Opera *Mastersingers*, brought from Sadler's Wells to launch the Coliseum establishment in 1968, was a deft, observant production full of unemphatically natural characterisations; it was played against undistinguished scenery rendered in early years, inoffensive, even at times invisible, by the radiance and amplitude of Reginald Goodall's conducting. The second, sponsored by the National Westminster Bank and seen for the first time on Saturday, is different. Perhaps it is not a too-facile generalisation to suggest that in the difference can be measured the changed face and ideals of the company itself.

For initial impressions were of a lively, highly intelligent, yet fidgety and often unsatisfying account of the great work, in scenery (by Timothy O'Brien) more distinctive than Motley's old sets yet in its own way awkward, and guided by no overall coherence or certainty of taste and style. It was not by any means an unenjoyable evening—a performance of this opera would have to be pretty disastrous to be that—and there were major discoveries to be made along the way, not least in the playing of Hans Sachs' role. But it never gained that quality of sweeping assurance that even questioning, reappraising *Meistersingers* must have, to be judged fully successful.

Graham Clark and Kenneth Woollam

Elijah Moshinsky's production is at its best and most interesting with and around Hans Sachs. Indeed, the freshness of Gwynne Howell's first encounter with the role was the evening's principal reward: the cobbler-poet placed firmly at the centre of the action, drawn in many contrasting shades, some surprising, all convincing. Below the first impression of jocular head- and arm-waving, layers are gently but rigorously built up, until the full figure is revealed: a lonely, secretive man of super-sensitive temperament and artistic instincts, suddenly irritable, with deep resources of feeling deep-hidden — the release at Eva's feet of uncharacteristic emotion long pent was a licence entirely justified in context.

The long line of the performance was not yet quite secure — how could it hope to be? Mr Howell's cautiousness in singing out, with much of the first two acts carried on a conversational tone suspiciously like "marking" (and often on the edge of inaudibility), meant that he had saved himself reserves of warm, full tone for the finale. When he finds a way of voicing the whole role more fully, his will be an important new Sachs on the scene.

The opera, it was never clearer than on this occasion, is not just a well-upholstered C major celebration; the treatment of Beckmesser, who in Alan Opie's brilliantly acted and sung performance emerged the most finely finished portrayal on stage, is of like sharpness deepened by thoughtfulness. But the opera's comedy, charm, simple happiness, and romance must not therefore be neglected in the balance; and in all these areas, Mr Moshinsky's touch regularly falters. The light diversions of the opening begin later to be too fancifully embroidered; the midnight riot is re-worked to the point of incomprehensibility, the procession and ceremony of the Johannistag festivities self-consciously detailed (and the crowd control not always lucid or purposeful).

Throughout the opera Mr Moshinsky makes play with and beyond the borders of the proscenium arch, to very small gain—his entrances from the side stalls and trumpetings from the auditorium come to feel, in this opera, like one of the weariest of modern theatre clichés. In the decor, the atmosphere of the music is progressively scamped: Act 1 is a German baroque interior high, wide, and airy, but the street scene (with a parched linden tree and Sachs apparently quartered in a shoe-cupboard) is designed and lit to take on a curious midwinter chill, and on the banks of the Pegnitz, lined with Rorschach-blot trees, a sense of place vanishes altogether. In each set the quantity of papier-mâché bordered in wood hints, no doubt quite unintentionally, that the design budget ran out without warning.

The comedy is also somewhat diminished because Graham Clark's David, so natural and pleasing at Bayreuth, has become bumptious; and the romance, because of the casting of Walther and Eva. Kenneth Woollam's vigorous top notes are small compensation for muddy tone lower down, for unvaryingly glum demeanour and unpoetic responses; sincerity at least shines through the gawkiness of Janice Cairns's acting, and her harsh soprano achieves unexpected poise in Sachs's parlour (in the finale she is unfortunately placed and dressed to suggest minor royalty bestowing greetings on a local fête). Sean Rea's Pogner is at once promising and a bit dull, Jean Rigby's Magdalene lustrous of tone and anonymous of personality; there are passengers among the mastersingers—not, though, Malcolm Donnelly's splendidly self-delighted Kothner, well-remembered from the Scottish Opera *Meistersinger*.

Mark Elder, who "learnt" the opera at Bayreuth three years ago, conducts with some of the overall coherence missed on stage—the acts have shape, direction, and a climax in the right climactic place, and though the playing inclined to racketiness in the overture, orchestra and chorus earned their cheers. What Mr Elder still has to accomplish is the atmospheric delight of the score, its delineated contrasts of time and place; and his support of the singers was sometimes over-masterful. For this reason, as well as the producer's frequent angling of singers to the side, it was not a very good evening for opera-in-English missionaries: except whenever Beckmesser was singing, words were often guessed rather than heard.

Architecture/Colin Amery

Picturesque preoccupations

They call it "Romantic Pragmatism" which seems like a contradiction in terms. It is the latest label for an architectural style that is the subject of an exhibition at the Warwick Arts Trust, 33 Warwick Square, London, SW1 (opening times are Wednesday to Sunday 10-5, until February 26). The title of the show is *Continuity in Architecture* and it is an attempt to impose a coherence on the output of 22 architects who have been building in Britain for the last two decades. It is an important display because it brings to the surface an undercurrent of design that, although it is often unnoticed, is as important as the mainstream. What, you may ask, is the mainstream?

House at Somerton, Somerset, by Stout and Litchfield

Alas, the mainstream architecture which we see in most city centres and commercial office developments is too often a mediocre version of the international modern style that has persisted since the 1930s. In architectural magazines and in academic circles, the current view of mainstream architecture would probably be somewhere between the polarities of "High-Tech" and "Post-Modern." This little exhibition shows that all the time the various debates about style and technique have been proceeding there has been a solid body of architects who have been erecting responsive and approachable structures. The themes that the organisers are showing can be simplified to three major ones. First of all, the schemes selected show a *sympathy for their sites, they* respond sensitively to their immediate surroundings. Secondly, the architecture reinterprets traditional local vernacular language. And thirdly, the scale and detail responds to the individual rather than the organisation.

These important themes have always seemed to me to be just the perfectly ordinary, everyday things that any good architect should be doing anyway. The most astonishing is that this exhibition is needed at all. It should not be necessary to single out the natural concerns of any architect and embellish them with meaningless titles to make it appear as though they are all doing something exceptional. I would always recommend readers to go and look at the actual building rather than the glossy photographs in a London gallery.

This show gives a good overview of a certain kind of English vernacular architecture that is easy to like and on the whole more common than is imagined. It is not going to send shivers of aesthetic excitement up and down your spine, but it will certainly give you a cosy feeling and a sense that things are not so bad after all. Finding this exhibition is a bit like finding a nice old-fashioned teashop in a cathedral town, just when you had imagined that there were only hamburger joints and Chinese take-aways.

The catalogue to the exhibition makes some extraordinary political remarks suggesting rather simple-mindedly that Classical architecture is usually equated with corporatism and *the this sort of individualistic* vernacular is morally superior. To extend their argument, it would be possible to say that a gerat deal of what is on show in this exhibition is not architecture—just carefully designed buildings, a return to a vernacular, local, native, endemic way of putting up shelters. The canons of art are not consulted by vernacularists.

Because of the debating points raised by this selection of new, and not so new, buildings, I suggest that readers go and look at the following. In Oxford, the new undergraduate rooms designed by Macormac Jamieson and Pritchard for Worcester College. These are full of allusions to the past, *sensitive to the fine site* and beautifuly built and detailed. It is a comfortable place, closer to art than many of the mundane extensions to colleges. In Norwich, look at Friars' Quay, East Anglian gables on plain waterside houses, designed by Feilden and Mawson.

While in Norfolk, observe the thatched Broadland Conservation Centre on Ranworth Broad, built on floating pontoons and also designed by Feilden and Mawson. In Somerset, there is a small but carefully designed house by Stout and Litchfield, a firm which can be guaranteed to maximise the spatial possibilities of a house plan while designing to fit in with the region. In Canterbury, the *excellent new quarters for Kings* School by Maguire and Murray are skilfully tucked away but well worth seeking out close to the cathedral.

The same firm's design for undergraduate sets for Christ Church, Oxford around a courtyard with a lily pond looks equally promising. In Buckinghamshire, the firm of Aldington Craig and Collings have raised the level of village house design to a quite remarkable degree—their work can be seen at *Haddenham*, Bledlow, and Newport Pagnell.

Edward Cullinan is an architect who has long followed this pragmatic path, his penchant for indulging the structure of his recent designs places him in a curiously expressionist position. His study centre at Minster Lovell, in Oxfordshire, is a model of the understanding of Cotswolds vernacular.

I found the show heartening rather than thrilling, comforting not moving. It is evidence that in England progression goes along very picturesque routes.

Pre-Raphaelites on display

The most comprehensive exhibition of Pre-Raphaelite art will be on show at the Tate Gallery from March 7 to May 28. *There will be 250 items on* display drawn from all the major English public collections and from abroad. The event is sponsored by S. Pearson.

As well as the paintings and drawings there will be lectures, readings of Pre-Raphaelite poetry and prose, and films.

Ravel & Varèse/Festival Hall

David Murray

The London Sinfonietta's Ravel/Varèse Festival ended on Friday *in an amiable glow*, with a brave staging of Ravel's "comédie musicale" *L'Heure espagnole* in an unlikely place. Michael Rennison and his designer Mark Wheeler had contrived a neat pocket-production with the requisite horological display, the big clocks-for-concealing-lovers and a staircase to negotiate them up and down. There were five children impersonating mechanical toys, too, which was overdoing it; the tick-tock glitter of Ravel's score serves as counterpoint to a rudely frank erotic imbroglio, not to a *Coppélia* fantasy. Still, making the piece work in the Festival Hall was a notable feat, and with an engaging cast it did.

There was inevitably a conflict between the demands of comic projection and of cool style. Style won; one admired it more on Radio 3 at home (the concert got a delayed broadcast), whereas in live performance the *sharp* verbal jokes had seemed underplayed, leaving the visual action to carry the farce. Since the action is dependably funny, that was good enough, and Ann Murray's voracious coquette-heroine boasted many subtle touches. John Tomlinson's old lecher was broader and solidly effective; Stephen Roberts sang the upstanding muleteer very well, though he suggested virginal innocence over and above Ramiro's honest, thick allure.

The effete poet was Philip Langridge, witty and resourceful despite being the wrong sort of tenor (his timbre is Anglo-Italian now: the "affectedly lyrical" Gonsalve should sound whiter and lighter). Similarly, Francis Egerton's gracious cuckold scored points without having the prescribed *trial* voice (a French category of character-tenor, named after a famous exponent). The conductor David Atherton held it all together with well-sprung mock-Spanish rhythms, crisp timing and refined orchestral sound. Another time, he might allow Ramiro's theme-tune more consistently *lumpen* good cheer; Ramiro's imperviousness to the intrigue around him is part of the joke.

In the earlier half of the concert we had clever readings of Ravel's *Shéhérazade* songs from Miss Murray, and forthright ones by Mr Roberts of the *Don Quichotte* set. In neither did Atherton match the flexible delicacy he brought to *Daphnis* a week earlier; the music proceeded with stiff, respectful caution, the orchestra conveying neither the seductive undertow of *Shéhérazade* nor the full dramatic weight of Quixote's soliloquies.

The White Devil/Greenwich

Michael Coveney

It is an extraordinary initiative, and one that puts the National Theatre to shame: Greenwich is playing host to a three-play season under the direction of Philip Prowse, the most talented designer in the British theatre who is based at the Glasgow Citizens.

Prowse both designs and directs this most impenetrably fascinating of plays with a cast drawn from both Greenwich past and Glasgow present. The worlds elide in the case of Rupert Everett, who walked on at the Citz' but shot to fame in the Greenwich production of *Another Country*. He plays the incestuous pimp Flamineo with a studied detachment and nasal whine. Everett has been acclaimed a star in some quarters. The acclamation is justified.

Rupert Everett and Ann Mitchell

The great problem with *The White Devil* is to make of it a driven, narratively comprehensible whole. In this, Prowse fails. But he should not be too much abused. He sets out with quite different intentions.

Each scene is played as it comes and for all it is worth. This means the overall shape of the play — if indeed there is one, and I have yet to see a satisfying resolution of this problem (nor, incidentally, am I convinced that I want to) — is governed by jagged scenes of transfigured incident.

The action is contained not only in the aroma of incense, but also in the clap(sic) of thunder. Gerard Murphy's full frontal Brachiano is discovered vomiting all over the guests. Julie Legrand's fascinating Vittoria, who could have been painted by Burne Jones or at *least Alma-Talmeda, is a flame*-haired innocent who makes of the sexual morality argument a complete ass.

I recommend you read the play — which is anyway much more than just worth reading — and then sample a produc*tion the like of which will not* come your way for a very long time.

Mozart, Beethoven, Elgar

Dominic Gill

It was a choral week-end. At the Barbican on Friday night, the BBC Symphony Orchestra with the BBC Singers under their chief guest conductor Günter Wand gave rarely-performed, early sacred Mozart and middle-period sacred Beethoven. On Saturday at the Festival Hall, the City of Birmingham Symphony Orchestra combined with the London Choral Society under Simon Rattle to give a fine account, resplendent in its musical and textual awfulness, of *Elgar's Dream of Gerontius*.

The Mozart was the lovely *Litaniae de venerabili altaris sacramento* K243 of 1776 (he had set the same liturgy four years earlier as his K125): an inspired and wonderfully unselfconscious pot pourri of styles dramatic, simple homophonic, fugal, plainchant and florid melodic, almost entirely derivative yet containing not a single page of dull or conventional writing. Günter Wand's direction was meticulous and stylish; tempi in particular were flexible and precisely gauged—an easy, springing step that allowed theme and texture admirable clarity. The tenor aria "Panis vivus," eloquently sung by Martyn Hill, and the "*Agnus Dei*" for soprano, coolly, prettily sung by Edith Wiens, are mirrored in spirit instrumentally — in a characteristically wild and invigorating programme note Wilfrid Mellers called it Mozart's "seraphic eroticism"—by two of the Litany's most stirring numbers, the "Viaticum" and "Pignus," essays in transfigured Handelian style.

Two substantial choral works in one programme, even so contrasted, makes better sense in practical than in musical terms. After radiant early Mozart, later orchestral Mozart or Haydn might have seemed apter. Even so, it was good to hear again *Beethoven's C major Mass*: not a work of the same sublime invention of the contemporary fifth and sixth symphonies and the Razumovsky quartets, but compelling in its insistence, bold and searching in its finest moments, notably the "Benedictus" and "Agnus Dei." Wand's direction was again unhurried, unfussy but vigorous: players and singers responded with generous warmth.

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For those who can stomach the combination of Elgar at his most piously vulgar and Cardinal Newman at his most sanctimoniously emetic, the experience of Saturday's *Gerontius* may doubtless have proved more sacred than sacrificial. Capital Radio sponsored; the hall was sold out.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Music

February 3-9

PARIS

Georges Pludermacher, piano: Schubert, Schumann, Ravel (Mon). Cité Universitaire, 21 Bd Jourdan (589 3869).

Alicia de Larrocha, piano: Bach, Mozart, Granados (Mon). Salle Pleyel (563 8873).

Orchestre National de France conducted by James Conlon, Kun Woo Paik, piano: Bernstein, Ravel, Berlioz (Tue). Théâtre des Champs Elysées (723 4777).

Ensemble Orchestra de Paris with Jean-Pierre Wallez as conductor and soloist, Aldo Ciccolini, piano: Beethoven and Mozart (Tue). Salle Pleyel (561 0630).

Nouvel Orchestre Philharmonique conducted by Roderyck Brydon, Jean Estournet, violin, Anthony Rolfe-Johnson, tenor: Strauss, Mozart, Britten, Haydn (Wed). Salle Gaveau (563 2030).

Orchestre de Paris conducted by Christoph von Dohnanyi, Rene Duchable, piano: Bach, Saint-Saëns, Stravinsky (Wed, Thur). Salle Pleyel (561 0630).

Ensemble de Paris Chamber Music Concert: Mozart, Jolivet, Ghana (Thur). Salle Gaveau (563 2030).

LONDON

London Philharmonic Orchestra conducted by Klaus Tennstedt with Annerose Schmidt, piano. Mozart, Beethoven and Brahms. Royal Festival Hall (Mon). (928 3191)

Berlin Chamber Orchestra GDR directed by Heinz Schunk with Dimitri Alexeev, piano. Mozart, Bach and Britten. Barbican Hall (Mon). (638 8891)

London Symphony Orchestra conducted by Eduardo Mata and George Lloyd with Kathryn Stott, piano. Walton, George Lloyd Piano Concerto No 4 (first performance), Vaughan Williams. Royal Festival Hall (Tue)

Royal Philharmonic Orchestra conducted by Antal Dorati with Young-Uck Kim, violin, Yo Yo Ma, cello and Emanuel Ax, piano. Haydn and Beethoven. Royal Festival Hall (Wed)

English Chamber Orchestra conducted by Norman del Mar with José-Luis Garcia, violin. Mozart and Britten. Queen Elizabeth Hall (Wed). (928 3191)

London Philharmonic Orchestra conducted by Owain Arwel Hughes with Ingrid Jacobi, piano. Rossini, Grieg, Rachmaninov and Tchaikovsky. Barbican Hall (Wed)

Benjamin Luxon recital, accompanied by Geoffrey Parsons. Barbican Hall (Thur).

Philharmonia Orchestra conducted by Vladimir Ashkenazy. Debussy and Sibelius (Thur). Royal Festival Hall

ZURICH

Tonhalle: Deszo Ranki, piano. Beethoven, Bartok and Brahms (Tue); Concert performance of Verdi's Giovanna d'Arco conducted by Nello Santi with Margaret Price, Ernesto Veronelli and Vicente Sardinero (Wed): Musikverein Quartet. Haydn, Schubert and Dvorak (Thur)

WEST GERMANY

Frankfurt Alte Oper: Lieder recital with Gundula Janowitz, accompanied by Irwin Gage. Schubert, Schumann and Brahms (Wed): pianist *Ivo Pogorelich*. Bach, Ravel, Brahms and Chopin (Thur)

WASHINGTON

Concert Hall: National Symphony, Rafael Fruhbeck de Burgos conducting, Christina Ortiz piano. Mozart, Stravinsky, Borodin (Tue, Thur). Kennedy Center (254 3776)

Theater Chamber Players of Kennedy Center (Terrace): Schubert, Schoenberg, Brahms (Mon) (254 9895)

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting, Brigitte Fassbänder mezzosoprano, John Vickers tenor. Haydn, Mahler (Tue); Zubin Mehta conducting, Glenn Dicterow violin. Haydn, Berg, Brahms (Thur). Lincoln Center (874 2424)

Merkin Hall Abraham Goodman House): Michael Newman guitar recital with Arnold Steinhardt, violin, and Laura Oltman, guitar. Puccini, Rossini, Carulli, Mayseder, Picchianti, Mertz (Mon); Phillip Evans *and Roberta Rust, piano recital*, Mozart, Schubert, Bizet, David Noon (Tue); Flavio Varani piano recital. Chopin, Poulenc, Prokofiev (Thur). 67th W. of Broadway (362 8719)

Paintings at First Hand/Rotterdam and Brunswick

Rob van Mesdag

Why, and by whom, oil sketches were made when preparing for large paintings or tapestries from the 16th to the 19th century is the subject of this exhibition which is moving to Brunswick, West Germany, after a run in Rotterdam.

The exhibition will open on Saturday, and continue until April 1, at the Herzog Anton Ulrich Museum in Brunswick.

When Peter Paul Rubens was commissioned in 1620 to provide 39 paintings for the Jesuits' Church in Antwerp, a contract was drawn up, stipulating that he was to produce the sketches, while allowing the actual paintings to be executed by artists in his workshop.

One of these sketches, The Crowning of Mary, is no more than a rough outline for use by the artist. But a later, more detailed version – *which is in the Louvre – must have* served as a sample for approval by the church authorities and as a model for his men producing the final work. Alas, no comparison between sketch and finished product can be made as all 39 paintings were destroyed by fire in 1718.

But visitors can compare Rubens' oil sketch Achilles Incensed With Agamemnon with the tapestry 10 times its size which resulted from it, belonging to the Municipal Museum in Arnhem.

Rubens made eight oil sketches depicting episodes in the life of Achilles. From these, larger sketches, two-and-a-half times the size of the first one, would be made serving as "models" for actual-size paintings on paper – "cartoons" – from which the weavers would work. Models usually were retained by the weaver to impress potential clients.

Another Rubens sketch of great interest is The Union of England and Scotland, for what was to become one of the nine ceiling paintings in the Banqueting Hall in Whitehall, possibly a commission from King Charles I. The sketch shows two women, personifying England and Scotland, placing a crown on a naked boy between them.

First to use oil sketches as a stepping stone towards an ultimate project were the Italian painters of the 16th and 17th centuries. Exhibited is a sketch for a silver dish by Bernardo Strozzi (1581-1644), belonging to The Visitors of the Ashmolean Museum, Oxford. That a dish was the object of the exercise can be deduced from the way the artist used shades to suggest its curvature.

Rembrandt made little use of oil sketches. Only about 10 remain, of which The Unity of the Country is one. Experts are not clear as to its purpose, while richness in colour and detail make it a magnificent work of art.

French 18th century painters represented include Troy, Natoire and Boucher, with sketches for tapestries made in the Gobelin and Beauvais workshops.

In 18th century Austria and Germany, oil sketches reached a level of perfection similar to paintings as works by Maubertsch, Zick and Gunther – among others – illustrate. Among the four sketches by Francisco de Goya (1746-1828), is Christ Taken Prisoner. From it developed the painting in the Cathedral of Toledo.

The Dance of Death/Oxford Playhouse

B. A. Young

This new version of Strindberg's play by Ted Whitehead attacks the near-impossible job of explaining the antipathy between the Captain and his wife Alice. The Captain came from a humble home, and that is why he is gauche with his betters. Alice—and Strindberg hints at this more definitely—resents the loss of what she thought would be her promising stage career. So at the Playhouse, Reginald Marsh gives the Captain a common voice and the manners of a bad-tempered sergeant-major and Barbara Jefford, her face and hair always ready for an entrance as Lady Capulet at the Oslo Rep, delivers her anti-encomium of her husband, with real dramatic polish.

To my mind, neither of the characters may be explained, only played as Strindberg built them. Whatever qualities the players chose to give them will serve. Rather than try to believe what is going on between them, it is best to treat them as two emotional acrobats displaying their dangerous routines.

Mr Marsh is a genuine old veteran. I think he keeps too much on the same note until his first collapse, but afterwards he pulls out such meagre subtleties as the Captain would be likely to possess. Miss Jefford's Alice is harder to take, though this is the author's fault. It's tough to accept, for instance, her avowal that she married this vulgar officer because she wanted "to get on in society." But then both she and her husband are such indefatigable liars we needn't take anything too seriously, except their hatred for one another.

David Collings as Kurt, the social catalyst from their old days, is a smooth young man whom one can hardly credit with his own ten years of unhappy marriage. Strindberg didn't offer him much of a character but he need not be quite so neutral as Mr Collings makes him.

Basically, Mr Whitehead's text is the commonly-played version, with some passages from the sequel incorporated into the later pages. They don't always seem to fit very well; why is the Captain calling for his daughter as he falls into his fourth or fifth fainting fit? Worse, they prolong the final cadences to an unbearable degree, until we start to think that the Captain really is going to live for another 20 years, and we shall attend every agonising day.

The direction is by Gordon McDougall. The sentry, the servants and the old woman from the hospital have been almost written out, but not quite: they are spoken of but make no appearance. Nadine Bayliss has given us a severely *economical set*, contained within a curved back wall, in front of a proscenium full of storm clouds.

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BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Monday February 6 1984

Argentina and its creditors

THE COMPLETION of Brazil's $28bn rescheduling package for 1984 has provided only temporary relief from the continuing problem of developing country debt. The spotlight is *now shifting to Argentina which* has already notched up about $3bn of arrears on its $43.6bn of foreign debt.

In Argentina's case the *numbers are no less daunting* than those of other Latin American debtors. Sr Bernardo Grinspun, the Economy Minister, has forecast a trade *surplus of only $3.5bn this year,* not nearly enough to meet debt service requirements of some $20bn. The balance will have to be found through a combina*tion of rescheduling and fresh* loans.

Conditional promise

But the Government of President Raul Alfonsin finds itself in a relatively strong position vis-à-vis its foreign creditors. Banks have been reminded of the need to nurture Argentina's fledgling democracy by the acute interest being shown in its economic problems by the U.S. authorities. Unlike Brazil and Mexico, Argentina is also self-sufficient in food and energy. Indeed its grain exports yield such handsome returns in foreign exchange that it would have no need for fresh international credit at all, were it not for the huge overhang of existing debt.

So far, the newly-elected Radical Government has made it clear that it intends to honour the country's foreign debt. But its strength at the bargaining table has made this promise conditional. President Alfonsin may refuse to service that part of the debt which he regards as having been illegally contracted by his predecessors. At the very least *he will insist on* a rescheduling agreement that clearly reduces the debt service burden on the Argentine State.

Argentina's inherent economic *strength has often in the past* raised the spectre of repudiation, but this would not be a valid reason for lenders to rush in with concessionary terms for debt rescheduling. The previous military regime considered repudiation carefully but found the risks too great in terms of loss of trading opportunities and the seizure by foreign creditors of Argentine assets abroad. There is no reason to assume that these arguments would not also weigh heavily with the new Government, especially since it wants to re-establish Argentina's *credentials as a full participant* in Western democratic society.

On the other hand lenders must realise that the likelihood of Argentina paying its debts *in the long-run would* be immeasurably increased by a period of sustained political stability in Buenos Aires. It would be counterproductive to *press for an agreement that of* itself undermines that still fragile democracy through excessive harshness. Argentina is unlikely to accept any agree*ment that does not on the sur*face at least appear to be a victory for the debtor.

Here the International Monetary Fund faces a particularly *delicate task. It needs to pro*duce an effective austerity programme for Argentina without losing sight of the fact that it is not dealing with a strong *government (such as that of* Mexico) that can afford the loss of political support entailed in delivering economic reform. For the same reason, the banks will have to impress on other borrowers that any concessions made to Argentina are being granted because it really is a special case.

Basic conventions

This does not mean that President Alfonsin should expect unlimited largesse from the financial community. There are weak points in his bargaining position too. Argentina needs to secure immediate fresh trade credits from commercial banks to finance the purchase abroad of industrial raw materials. The fact, too, that his honeymoon with a fickle electorate *may soon be over* means his Government needs to move rapidly to consolidate its authority at home by getting a grip on the economic front.

So there is little time left for posturing — and not just because U.S. banks are worried about Argentina's ability to reduce its interest arrears before *their important March 31* balance sheet deadlines. Argentina is justified in claiming concessions from its creditors, but only within the basic conventions of international finance. An attempt to win huge interest subsidies would almost certainly fail. So, probably, would any unilateral and arbitrary discrimination between "legally" and "illegally" contracted debt. The price of Argentina pushing for concessions too hard would be high for debtor and creditor alike.

Digging in at Cheltenham

THE GOVERNMENT'S handling of the Cheltenham affair is not a resigning matter; nor, for the present, is it anything like it. But it does seem to be a remarkable example of ineptitude.

The Government has a case, of course; even a strong one, in principle. An intelligence monitoring agency makes little sense if it is not fully operational at all times. There is no room for an agency that works only five days a week or is subject to disruption through industrial disputes. If that were all that the Government is saying, there would be few critics.

Personal critics

Yet its approach has been less than convincing. First of all, Sir Geoffrey Howe, the Foreign Secretary, made an almost unheralded statement in the Commons that union membership at Cheltenham was to be banned. Then, in a television interview, he appeared to be ignorant of a written parliamentary answer on the terms for compensation, redundancy and dismissal. Next there was a disagreement about whether the television company had or had not apologised to him for his being asked a misleading question. At each step the Foreign Secretary was perhaps technically correct, but it has not been an impressive sequence.

The coalition of forces which could line up against the Government on this issue should not be underestimated. There is already a substantial lobby which, however unfairly, will be against the Foreign Office at most whatever it does. There are the personal critics of Sir Geoffrey, both within and outside the Conservative Party, some of whom remember that he did not have too happy a time when he was looking after industrial relations under the administration of Mr Edward Heath. It is striking that Cheltenham is one of the few questions which has brought the Labour Party and the Alliance together in their attacks on government policy.

There is also the press which knows a good story when it sees it and has not let this one drop. Not least, there are the unions which suddenly find that they have a sympathetic cause on their hands. Even Lord Bancroft, a former head of the Civil Service, has come out in public against the way in which the Government is behaving.

All that suggests the need for caution, and to some extent it is being exercised. Union leaders had talks with the Prime Minister and the Foreign Secretary last week and there will be discussions in the next few days. But it appears that all the give is coming from the union side: for example, the offer to guarantee that there will be no more disruptions at Cheltenham and that disputes could be dealt with in camera. The Government, however, remains rigid.

This approach by Mrs Thatcher and Sir Geoffrey is not new. They have weathered many a storm together and survived, and are confident that they can do it again.

Yet this time the ground may be different. It is not a matter of absolutes. Nobody is arguing that Cheltenham should not be secure. It should not be a matter of deadlines either. There is no obvious reason why agreement should be reached by March 1, as the Government insists. It is a question of achieving maximum security on conditions that can be reasonably accepted by the employees.

Positive vetting

It is possible that the Prime Minister and the Foreign Secretary will succeed in steamrolling through their intentions but they should bear in mind the thought that they might end up with the worst of both worlds: no agreement with the staff by March 1 and therefore no assurance of the smooth and continuous running of the monitoring machine. It would not be easy to find new staff at the drop of a hat, given the need for positive vetting and specialist qualifications.

That possibility itself should argue for some flexibility on the Government's part. The other reason why Mrs Thatcher and Sir Geoffrey should think again is that this kind of dispute is giving the Government a bad name. It looks hasty, rigid, insensitive, even accident-prone. Such a reputation, once acquired, tends to stick. There are far more important matters to attend to than digging in at Cheltenham.

Kenneth Gooding, Motor Industry Correspondent, looks at the prospects for privatising parts of BL

Jaguar: the first one on the list for 'sale'

JAGUAR Cars, whose turnround in the past three years has been one of the brightest spots in the troubled British motor industry, now seems set to become the first bit of BL to be returned—wholly or in part—to private ownership.

Of all the candidates on the Government's privatisation list, none has more symbolic significance than BL whose problems have seemed never ending for much of the time it has been in state hands.

Yet the imminent privatisation of Jaguar raises important questions for the Government and BL. Can the company—so small in world terms—survive in the longer term on its own?

And will the privatisation of Jaguar make any significant difference for the rest of BL's business, most of which is still grappling with fundamental problems?

To Jaguar, to take the first question first, it may seem unfair to raise such doubts. The company is riding high on the back of huge productivity gains, much improved quality and a strong dollar. Sales in the U.S. have soared to 21,000 out of total production of 29,000. And authoritative estimates suggest that the company's profits last year may have been running at more than £1m a week.

Yet there is no escaping the fact that Jaguar is still a one-product company in a highly cyclical business. Moreover it faces two formidable competitors — BMW and Mercedes — each of which already make many times more cars than Jaguar.

Mr John Egan, architect of the company's transformation and chairman since 1980, is confident that Jaguar is now strong enough to compete worldwide and to withstand sudden changes in exchange rates which in the past have played havoc with market forecasts. Jaguar, he says, could still make a profit even if the pound climbed back to $2.30.

Yet only two years ago Jaguar was losing money heavily and it has absorbed £100m of the £2bn which the Government has given BL. Indeed Mr Egan's first job was to decide whether Jaguar should be salvaged at all.

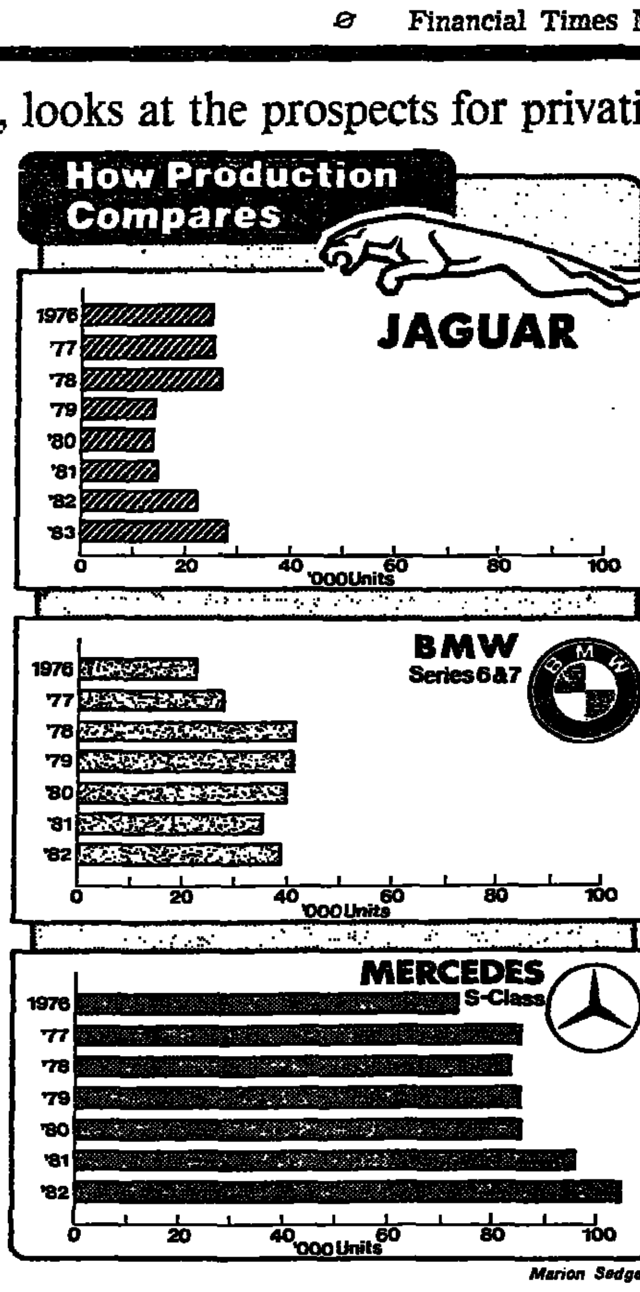
Jaguar's recovery is not *complete. It is only part way* through a model replacement programme and is still in the process of divorcing itself from BL's other operations. In physical terms such a divorce is not too painful. Jaguar has been buying body panels from Austin Rover and castings from Leyland Vehicles, but these could be sourced elsewhere if necessary.

Unipart, a BL subsidiary, already handles distribution of Jaguar spares on an arms-length basis, and only in a few parts of the world—notably Australia and North America—do Jaguar and Austin Rover operations *have yet to be separated.*

As for the model programme, Jaguar launched its high-performance light-weight engine, the AJ6, last October. But the introduction of the XJ40, the new Jaguar saloon, has been postponed, probably until the early part of next year, to give more time to get it absolutely right.

This lighter car is designed to replace the XJ6, Jaguar's best-seller which accounted for 22,000 of the company's worldwide sales of 29,100 last year, so it simply has to be successful if the company is to survive.

Key figures in the story: John Egan, chairman of Jaguar (left) and Sir Austin Bide, chairman of BL.



The XJ40 is simpler and cheaper to produce than the XJ6 and its *introduction will* have the effect of lifting Jaguar's nominal capacity to 45,000 a year. Yet by the time Jaguar reaches that output its two major competitors, BMW and Mercedes, will be producing 500,000 cars a year each.

BL executives claim that Jaguar's output can only fairly be compared with that of the top-of-the-range models produced by its two German rivals. But even in this category Jaguar is well behind. Mercedes produces over 100,000 of its top-of-the-range "S" class cars a year while BMW is already producing 40,000 of its 6 and 7-series saloons.

More important is the fact that the volume of cars BMW and Mercedes produce enables them to attract first-class *dealers. With 45,000 cars to* spread between North America, Europe and the Far East, Jaguar would continue to face severe problems in recruiting enough dealers to provide the expensive service back-up so essential in the luxury car market.

There are also doubts about Jaguar's ability to finance its investment programme on its own. Mr Egan says Jaguar has had no government aid for more than a year and he insists that the company is earning enough to cover not only its spending on research, development and capital equipment (about £40m in 1983) but also *future invest*ment needs.

There is no escaping the fact, however, that Jaguar's budget looks puny compared with BMW's investment in fixed *assets alone of over DM 1.25bn* or £300m a year.

It is a widely-held belief in the industry that after 20 years of post-war success Jaguar was only prepared to merge with British Motor Corporation in 1966 because it was unable to earn enough to pay for its model replacement programme.

But Sir William Lyons, Jaguar's founder and life president who is now in his 83rd year, insists he had two other reasons in mind.

"I hadn't long left in day-to-day management and I wanted to leave the company in good hands," he recalls.

Sir William says *he was also* concerned about future supplies from Pressed Steel Fisher, a BMC subsidiary which provided Jaguar with all its body panels.

"Jaguar is doing very well. It has only Mercedes and BMW as competitors and if it can keep its feet on the ground I feel certain it can survive on its own," says Sir William.

BL is adamant that it is not considering the sale of Jaguar because of ideological pressure from the Government. Since 1977, first Sir Michael Edwardes and now Sir Austin Bide have been working with the BL board towards the return of the whole of BL to the private sector.

But—and this is where the second question posed above becomes relevant—it has also been clear *for some time that* there is no prospect of every BL company being healthy enough to make the group as a whole a reasonable proposition for sale. For example, at the *moment the Land Rover-Leyland* commercial vehicle operations are facing severe difficulties, mainly because their major overseas customers have run out of funds.

For the time being the Austin Rover cars division is in better shape than the board could possibly have hoped for only two or three years ago, but it too is in no position to be sold outright.

So the BL board apparently *takes the view that the only* reasonable option is the sale of all or part of any business which can be divorced from the rest without too much difficulty and, of course, which has some attraction for outside buyers.

BL is actually counting on the money disposals will raise. The group indicated in both the 1981 and 1982 corporate plans a need during 1983-84 for a further £150m beyond the £990m already promised by Government.

However, the 1983 plan mentioned the board's intention "to seek private sector equity for certain of the company's mainstream businesses within the next two years." As a result, it agreed to reduce the extra requirement for 1983-84 to £100m.

The careful choice of words —there was no mention of the outright sale of any business— and the relatively modest amount by which BL reduced its requirement, £50m, provide important clues to the board's thinking. A figure of this order would be consistent with the sale of part of Jaguar but not all of it.

Although Sir Michael Edwardes prefers not to talk about BL these days, he does provide some clues: "I was firmly of the opinion that any *hiring off* of viable parts of BL (at too early a date) would prejudice the recovery of the whole because the company was then in an early phase of recovery," he says now.

"Nevertheless, I have always felt that *selective* private sector *minority investment* in parts of *BL would be helpful.* The problem at that time was that it would have been difficult to attract private sector equity, particularly as BL would have retained *control.*"

Sir Michael is no longer privy to the BL board's thinking but it is unlikely that the directors have changed their ideas significantly since he left late in 1982, particularly as there was strong continuity because Sir Austin Bide was Sir Michael's deputy chairman.

It may therefore be reasonable to assume that, when making their proposals to Government in the corporate plan for *1984-85* last month, the BL directors suggested (a) that the group retains some shareholding in any company to be privatised and (b) that BL keeps the proceeds.

Whatever happens to Jaguar, however, will make little difference to Austin Rover, the problem child to which Sir Michael devoted so much time and energy during his years with BL.

Two years ago it was still suffering huge losses, its market share on the Continent and at *home was on the decline* and it had withdrawn from North America.

Helped by the rousing reception given to the Metro and the record British car market in 1983, which boosted its output, Austin Rover is on course to achieve its objective for 1984—to be approaching break-even at the pre-tax profits level.

Taking the most optimistic view of the products Austin Rover has in the pipeline, of its *chances for improving market* share in the UK and on the Continent and for regaining a foothold in the U.S., it is just conceivable that the company *might be in a position, in, say,* five years' time, where private investors could feel justified in putting money in.

But that means the LM11, to be *launched in Britain in April,* probably as the Austin Montego, and the joint venture model with Honda—code-named XX, due next year—must both be highly *successful. So must be* the radical changes to the Metro to be revealed before the end of 1984.

If they are successful, Austin Rover *could increase last year's* 18.5 per cent UK market share and maintain it between 20 and 25 per cent; double Continental sales and, with some U.S. business, *push up its output from* last year's 450,500 to 750,000 a year, its current single-shift capacity.

That would take about five years and Austin Rover now knows that for the next five years at least there will not be a Nissan plant of any substance in Britain adding to the severity *of competition in the UK* market. The BL board seems convinced that, with the help *of further co-operative ventures* along the XX lines to cut development costs, 750,000 cars a year would be a viable output.

There are omens which are not so good, however. The Maestro, introduced at this time last year, has so far failed to achieve the expected UK market share. It settled at an annual rate of 4.6 per cent.

The fragility of Austin Rover's recovery on the Continent was also demonstrated in 1983 when Fiat's aggressive launch of its small car, the Uno, in Italy (the UK group's best Continental market) pushed back BL's share from 3.1 to 1.9 per cent.

If events go against Austin Rover there are but two real alternatives: either the Government can inject more money to give the company yet another chance to recover, an *unlikely solution if the Tories* remain in power; or an overseas buyer from within the motor industry — probably Japanese—could be found with the hope that the buyer could be persuaded to continue Austin Rover's research, development and engineering operations in Britain.

That is a depressing prospect and even the "dryest" of Mrs Thatcher's ministers do not exactly relish the prospect of handing over a company, into which £2bn of public money has been pumped, to an overseas competitor.

What they find equally disturbing, however, is the likely prospect that Austin Rover will hover between success and failure; never quite earning enough to cover its investment needs, but *never quite losing* enough money in any year to make its sale to an offshore buyer politically acceptable.

Men & Matters

Moore's chair

Charles Moore, aged 27, settled speculation about the editorship of The Spectator yesterday by confirming to me that he has been appointed the next editor by the owner, oil tycoon Algy Cluff.

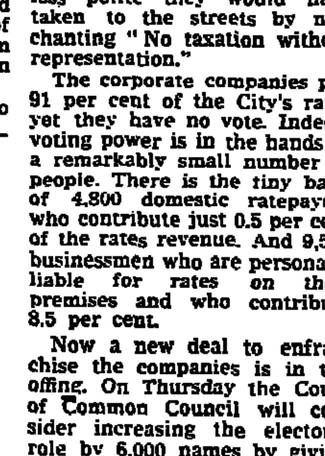
But the handing on of the editorial chair is to be a leisurely and gentlemanly process as befits the stylish political and literary weekly.

Alexander Chancellor, editor for the last nine years, will this week be discussing with Moore —his political columnist—a date for the change. "I want Alexander to edit it for as long as he wants," says Moore, showing a greater magnanimity than is usual in London journalism.

Moore, educated at Eton, and Trinity College, Cambridge, cut his teeth with my esteemed rival, the Daily Telegraph's Peterborough column. He and his wife Caroline, a Fellow of English Literature at Darwin College, Cambridge, live in London.

He says it is too early to discuss making changes to the loss-making weekly, which sells 21,000 copies. But changes there will have to be. Three of his most distinguished contributors — Auberon Waugh, Richard Ingrams and Ferdinand Mount—have resigned because of Cluff's decision to try a new editor.

Looking on the bright side, Moore points out that The *Spectator is doing rather better* financially than the often-quoted £200,000 a year loss. Apparently January, a bleak month for magazines, attracted *three times as much advertising* as did January 1983.



"Don't shoot! They're probably French poultry imports in transit."

City limits

If the chairmen of the 6,000 companies in the City of London, employing some 300,000 workers and paying £349m in rates this year, were more militant and less polite they would have taken to the streets by now chanting "No taxation without representation."

The corporate companies pay 91 per cent of the City's rates yet they have no vote. Indeed, voting power is in the hands of a remarkably small number of people. There is the tiny band of 4,800 domestic ratepayers who contribute just 0.5 per cent of the rates revenue. And 9,500 businessmen who are personally liable for rates on their premises and who contribute 8.5 per cent.

Now a new deal to enfranchise the companies is in the offing. On Thursday the Court of Common Council will consider increasing the electoral role by 6,000 names by giving a single vote to every incorporated body paying rates.

There would be one vote for each—whether it be a clearing bank in a glass palace or a corner shop.

The vote would not, however, be extended to overseas companies, state-owned organisations, or the City corporation itself.

Guardians of the City's proprieties at the Guildhall tell me that the proposals are the most sweeping to be put forward since the present city structure of voting wards was invented. And that was in late Saxon times somewhat before the year 1000.

All in all, the City fathers need not feel they are acting with indecent haste by bringing forward the voting reform proposals.

Batt plays on

National Westminster Bank's guru on foreign currencies, Bill Batt, does not intend to go out to grass when he retires at the *end of March at 60.*

He is hoping to conclude negotiations this week for a job with a newly-formed foreign bank in London. "It will be both *exciting and challenging,*" he says. He has had to turn down other offers rather than be involved in any form of competition against his old firm.

Batt transferred to the foreign exchange market in 1952 soon after it was revived by the Bank of England. He had started at the bottom at the Westminster Bank's Stockwell branch in 1947.

He is now treasurer and assistant general manager of the international division of NatWest as well as chairman of the foreign exchange committee of the British Bankers Associatio

Batt does not hide his strong views on the foreign exchange international market. He even has a painting in his office of Christ chasing the money-changers from the Temple.

London is by far *the* most "important, efficient and ethical" centre in the foreign exchange world, he tells.

He is appalled, he says, at some of the things that happen in today's international market: "Rapid expansion has lowered standards—not least, courtesy."

He ends his appraisal of the trade today in vintage Batt fashion: "Rates of exchange should be based on real factors like a country's exporting performance. But there are such windfalls to be made in a volatile and inflated foreign exchange market that it has become a casino for any number of players. In my opinion the market exists to oil the wheels of international trade primarily —and should not be abused."

Doubling up

The appointment of Tony Sumner, aged 52, as managing director of Kleinwort Benson's development capital subsidiary is another sign that merchant banks are taking small businesses more seriously.

Unlike so many budding venture capitalists who have a background in investment management, Sumner's wide industrial experience should equip him well for the "hands on" approach to small business support which is in vogue at the moment.

Sumner ran a company making men's clothing before joining PA Management Consultants at the end of the 1960s. In the 1970s he worked for Sime Darby as managing director of *the Malaysian* division.

In 1980 Kleinwort asked Sumner to take charge at Data Recall, a small manufacturer of high performance word processors, in which the merchant bank had a stake.

As a complete change from being at the sharp end of manufacturing Sumner *now aims* to find enough good quality entrepreneurs to double Kleinwort's portfolio of 40 small business investments, valued at £20m, *within the next five years.*

At home

All gnomes are invited to the world's first Ideal Gnome exhibition at Longleat, stately home of Lord and Lady Bath, in May.

Observer

FOREIGN AFFAIRS: THE EEC

The suspense is killing

By Ian Davidson

TO THE DETACHED observer of international affairs, there has rarely been such a fascinating, such a baffling spectacle as we are now witnessing. It is the spectacle of Europe, collectively, trying to make up its mind about its future. Only one thing mars the fascination of the spectacle: the sneaking suspicion that Europe is about to make a bash of things.

This may seem a hyperbolic description of the looming crisis facing the European Community, since there have been many crises in the past, full of sound and fury, which afterwards turned out to signify not very much. A marginal concession here, a minimal victory there, but nothing to justify the ballyhoo, the all-night sittings, the heart attacks, the melodramatic Press conferences.

Moreover, the agenda seems tiresomely familiar: Britain's budget contributions, the dairy surplus and so on. Surely, grown men. . . .

One thing tells us that, this time, some of the member states, in different ways, may realise things are different: there is no ballyhoo, no all-night sittings, no heart-attacks, no melodramatic Press conferences. A terrible hush has descended on those tiny corners of Europe's chancelleries which are supposed to be responsible for grand strategy. In some of them there is, there must be, a realisation of how much is at stake.

Several things are at stake. Will the Community survive as a functioning entity? If so, will it merely continue to survive as an economic boxing ring, the scene of endlessly-repeated gladiatorial bouts? Or will it succeed in placing these internal rivalries in the proper context, first of the economic competition between Europe and the rest of the world, second of Europe's security in a world straddled by two competitive super-powers?

To such a catalogue, sophisticates will assume a condescending smile. Of course the Community will survive, they will say: There Is No Alternative. Not for the first time, the sophisticates are wrong. They know, and we know, that the Community is at an impasse, a moment of decision.

It is at an impasse because free trade within the Common Market is far from perfect except for agriculture, and the agriculture policy is so ruinously expensive that it can no longer be afforded. It is at an impasse because the Community's derisory efforts in the fields of industry, services, finance and trade are branded with the petty nationalisms which are mocked by the economic efficiencies of other countries, like Japan and the U.S.

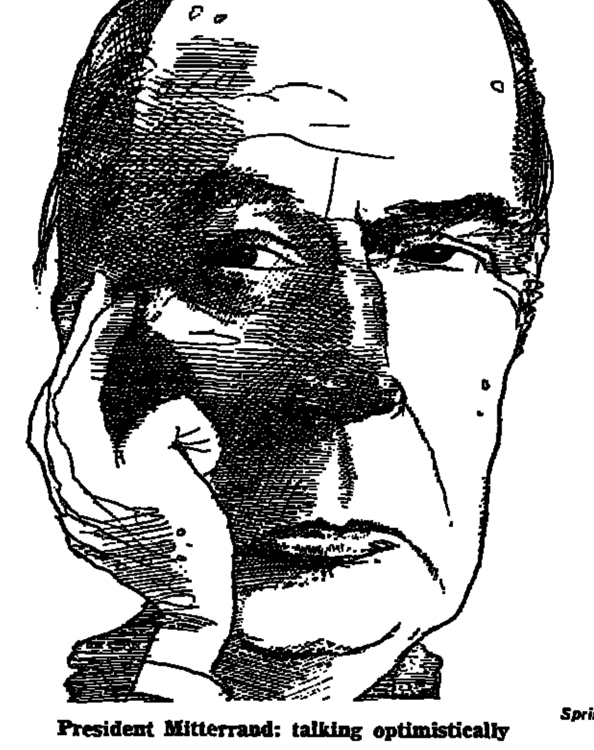
And it is at an institutional impasse: the Commission is finished as the policymaking motor of the Community, and not just because of the glaring inadequacies of Gaston Thorn and his colleagues. And unless there is a radical transformation, the admission of Spain and Portugal, enlarging the Community from 10 to 12, will bring decision-making in the Council of Ministers to a dead halt.

Above all, it is at an impasse because the member states have been reluctant in the past to recognise that the Community is the only possible organism for the expression of Europe's independence from the super-powers. The old pretext for this reluctance was that de Gaulle was anti-American while Adenauer was pro-American; the new pretext is that the Community is ham-strung by the pseudo-neutralism of the Irish and the fellow-travelling postures of the Greeks, not to mention the parasitic anti-federalism of the Danes. We are told the Community is like a convoy, which can only travel at the speed of the slowest ship.

None of these excuses will wash any longer. We all know that the time for the Community to get its act together, economically and politically, is long overdue. It may almost be too late.

Economically, there are so many indicators of Europe's relative decline that they scarcely need retailing. Politically, Europe can no longer take refuge in a grumbling and disturbed apathy between the aggressive imperialism of Moscow and the impatient unilateralism of Reagan's Washington.

For too long, the European nations have been content to be the welfare-state dependencies of America, while luxuriating in every opportunity to cavil at



President Mitterrand: talking optimistically Springs

the crudity of American leadership. We all know that the time has come for some strategic choices about the nature of the Community, and about its future place in the world.

But wait a minute. Are we really witnessing the spectacle of Europe making up its mind about its future? From what we have seen of the play so far, it seems to be about Europe *not* making up its mind: not so much like *Hamlet*, as *Waiting for Godot*.

To reach a confident conclusion on this point is difficult, because the French presidency (which also holds the presidency of the European Council of Ministers) has gathered all the reins of the negotiations into its own hands, while maintaining a degree of secrecy which, for a Common Market negotiation, is absolutely unprecedented.

What is not yet clear is whether the secrecy is a cover for profound strategic planning, or merely a pretext for prolonged dithering.

Circumstantial evidence of dither is rather strong. The traditional Community response to this kind of crisis is to accelerate the intensity of the negotiations, by scheduling more meetings of officials and ministers. Instead, the French have deliberately limited the timetable to a peacetime tempo: one meeting of the Council of Ministers in January (which achieved nothing), another this month, and a third in March, just a week before the European summit.

Some other governments, including the British, have expressed concern at this lethargic pace. The agenda facing the Community is so large and so technical, they say, that more multilateral preparation is needed to set things up for the summit. This is doubly imperative because all items on the agenda are interlocking, so that no deal is possible on any unless there is a deal on all.

The French maintain that the commodity required is not more preparation—the problems have been studied to death—but more of that famous old Common Market standby, Political Will, which in plain English means making up one's mind. But there is circumstantial evidence that it is the French who have had difficulty in doing just that.

Three weeks ago, Claude Cheysson, the French Foreign Minister, went to Strasbourg to inaugurate the new session of the European Parliament, and Europe was alerted to expect a major speech which would lay out the French government's ideas for resolving the Community crisis. In the event, the parliamentarians were treated to a vacuous survey of world events which scarcely mentioned the Community at all, and certainly did not lay out any new ideas.

I rang a French official for an explanation. "I know, I know," he said, "but there will be another speech in a very few days, probably by President Mitterrand himself, and *this* one will set out the government's ideas." The days passed: no speech.

Then we were alerted to Mitterrand's visit to Germany last Thursday and Friday; that would be the occasion for the *speech*. *He visited Germany*, he went home; still no speech. Now we are told that the long-awaited speech will be delivered today or tomorrow, during the French President's visit to Holland. We shall have to wait and see.

As a substitute for multilateralism, the French have gone for an intense programme of high-level and very private bilateral contacts, either by the President himself or by his newly appointed minister for European affairs, Roland Dumas. At the beginning of last week Mrs Thatcher flew for lunch to Marly-le-Roi; at the end, Mitterrand visited Germany. This *week Mitterrand visits Holland*, Dumas comes to London, and Chancellor Kohl makes a return visit to Paris.

How much these meetings have produced in terms of negotiating progress remains obscure; last week, *after* Mrs Thatcher's lunch, a senior British figure was under the impression that the French had still not sorted out their ideas on what should be done to control the costs of the common agricultural policy.

In terms of atmosphere, however, British officials are convinced that Mrs Thatcher's lunchtime conversation was very *satisfactory indeed*. By the weekend, Mitterrand and Kohl were both talking optimistically, if cautiously, about progress on the Community's problems. And it does now appear that the French government has concluded that the key to unlock the negotiations is tighter control on Community spending in future, especially spending on agriculture which currently takes two thirds of the *Community budget*.

Moreover, they are quietly abandoning the proposition, which caused such shock when put forward by President Mitterrand at the Athens summit, that the "solution" to Britain's complaint about the budget should be limited to one or two years. Whether they have yet come to terms with Mrs Thatcher's demand, and the possibility that the solution must last as long as the problem, may be another question.

If the French government has been dithering, we should not be too surprised. It is under attack, not merely by the opposition, but also by its Communist coalition partners, by the trade unions and by the farmers.

If it bows to Mrs Thatcher's conditions for an increase in the Community's budgetary resources—a lasting solution to the British complaint and a tight grip on farm spending—it will alienate farmers in northern France. If it opens the door to Spanish membership (as it now appears almost ready to do), it will alienate farmers in the south—who also happen to vote socialist. The dilemmas are painful.

Yet the central bafflement remains. Is Mitterrand's bilateral approach just a delaying tactic, to give Paris time for thought? Do recent up-beat noises really indicate progress, or are the generalities inherent in conversations between heads of government a perfect recipe guaranteeing maximum difficulty in translating vague understandings into written agreements?

Or is it conceivable that the spectacle we are witnessing is that of Europe, for the first time, making up its mind about *its future*? *Will Waiting for* Godot prove merely a prelude to Hamlet? The suspense is killing.

Lombard

Report improves on U.S. policy

By Samuel Brittan

THE ANNUAL *reports of the* U.S. Council of Economic Advisers, especially but not only since Prof Martin Feldstein became CEA chairman, are an object lesson, much needed in Europe, on what good economic presentation can achieve.

Prof Feldstein and his colleagues have taken a series of Reaganite policies, attitudes, hunches and prejudices and put them together into a strategy which *otherwise would not* exist. The exercise is not a cynical one. By suggesting what President Reagan's strategy would be if he had one, the CEA is able to exercise some influence, to test individual *policies and suggestions*, above all to impose some coherence on the deadpan data which tend to appear in other countries' official economic reports.

The Reagan strategy, as formulated by Feldstein, has four main planks: gradual reduction of monetary growth to a rate consistent with price stability, reduced government civilian spending, tax restructuring and deregulation.

The deregulation programme is basically bipartisan, having begun under President Carter. The present emphasis is on financial deregulation, which has made the money supply data difficult to interpret. This *reinforces the CEA's stress on* monetary control as a *means* of controlling nominal GDP, which is itself the means for reducing inflation in the longer term.

If institutional changes bring about significant and persistent shifts in velocity then the monetary targets can be adjusted without loss of face. This is a much better explanation of Fed chopping and changing than the Fed itself has ever given. (The Friedmanite charge that monetary growth has been too slow since last July is effectively countered by a chart showing that M1 growth has been within its target range since the second quarter of 1983, which is surely the shortest period reasonable for monitoring purposes.)

The CEA also establishes a reasonable case that recent tax changes have *shifted the U.S.* towards an expenditure tax system which to some extent exempts savings and bears less heavily on marginal earnings. But the actual and prospective reduction in the total tax and social security burden since Carter is very slight; and even that looks distinctly premature in view of the deficit outlook.

The CEA report does not soft-pedal, but underlines the consequences of present spending and tax policies for the Budget deficit. The outlook is for $200bn annual deficits throughout the remainder of the 1980s, equivalent to 5 per cent of GNP and two thirds of net national savings. Moreover, only a small and diminishing part of the deficit is cyclical; and Feldstein sets an example to other *national economic advisers in* carefully defining cyclical as "that part of the deficit which occurs because unemployment exceeds the minimum level of unemployment that can be sustained without raising the rate *of inflation*." This *rate is* generally known as the NAIRU; and the CEA puts it at 6½ per cent—higher than many would like but still below the current rate of 8 per cent.

Even the $200bn deficit figure depends on an average annual growth rate of 4.3 per cent being achieved over 1983-89 and on U.S. interest rates dropping by 4 percentage points.

The one place where Feldstein soft-pedals slightly is in exactly how a persistent large structural deficit could reduce growth. His official emphasis is on the long-term consequences for investment and on the short-term possibilities of a lop-sided recovery putting strain on productive capacity before 6½ per cent unemployment is reached.

The most likely mechanism (also hinted at) is more direct. Once the foreign exchange rate and financial markets take fright at the heavy financing burden, the dollar could plunge and interest rates rocket—and contrary to received wisdom the two developments could coincide. Faced with the inflationary alarms which they would bring, there could easily be a slamming down of both the fiscal and monetary brakes, instead of the medium-term fiscal curbs which Feldstein would prefer. The process is *known very well in Europe as* "stop-go" or "go-stop." It may be too late to prevent it in the U.S.

Letters to the Editor

Why BA privatisation should not be rushed

From Mr B. O'Regan

Sir,—Mr Nicholas Ridley, the Secretary of State for Transport, announced in December that he was asking the chairman of the Civil Aviation Authority for advice on the implications for competition and for the sound development of the British airline industry raised by the prospective privatisation of British Airways.

The possible changes in the structure of the British airline industry that may emerge from the Secretary of State's plans are of enormous importance to users, suppliers, operators and staff of the airlines.

A privatisation scheme that is rushed through Parliament could be a mistake. It is the last chance for perhaps 20 years or more for an important industry to be subject to a major structural change. It is also clear that *the transfer from* public to private ownership of an airline which enjoys a monopolistic trading status cannot be desirable without some reduction of its share of the market.

The Secretary of State appears reluctant, as yet, to commit the Government on airport policy. It is difficult to see how either the British Airports Authority or British Airways can be properly valued if airport development is uncertain. The BAA is a property and trading company.

In the past it has granted notoriously one-sided property rights to airline operators. The complaints by the chairman of BEA on the security of tenure at Terminal One were well recorded, at the time, when BEA financed the building on the strength of a year-by-year lease. The choice of Heathrow-Gatwick would be immensely widened if the M25 motorway link were given urgent priority.

The public issue of shares is a sensitive and often secretive process. But in the case of British Airways there is more to be gained by an open process with a published time-table. The dates for privatisation can remain at the Secretary of State's option, but the processes and procedures are matters of public importance. A time-table should be published.

If the Secretary of State is prepared to accept advice I would put the following matters very high in the list of priorities:

(a) A belief in the merits of competition.

(b) A belief that the dominant position of British Airways be substantially modified.

(c) Airport policy to be settled now.

(d) M25 motorway be completed urgently to link Gatwick-Heathrow.

(e) A timetable with option dates be published for the plans to privatise British Airways.

Martin O'Regan.
Seven Sussex Square, Brighton.

Misconceptions on acid rain

From Mr C. Rose.

Sir,—Your report (January 28) of Mr Ian MacGregor's comments about acid rain reveals two extraordinary misconceptions at the National Coal Board.

First, Mr MacGregor claims that if all industrial activity "ceased tomorrow" there would still be acid rain "and there always will be" because of natural sulphur emissions from volcanoes. There are two points here. One is that volcanic sulphur is only a significant contributor to acid rain in the southern and not the northern hemisphere. The other is that *while we can do nothing about* the undesirable emissions of volcanoes (rather like natural background radiation) we can curb man-made pollution. In fact the Government's recent Warren Spring Laboratory report—Acid Rain Deposition in the UK—points out that at least 91 per cent of acid deposition in this country is man-made.

Secondly, Mr MacGregor implies that because the prevailing wind in Galloway (where many lakes are acidified) is from the south-west and not the industrialised south-east industrial pollution cannot be to blame. Once again, the Warren Spring study shows that this is not so.

Given that the National Coal Board is a public body it would seem sensible that Mr MacGregor and his advisors pay closer attention to Department of the Environment reports on acid rain in future.

Chris Rose,
Countryside Campaigner,
Friends of the Earth,
377, City Road, E.C.1.

Lunacy to welcome Nissan

From Mr J. Henrich.

Sir,—We are in danger of being overawed by the attentions of the Japanese; it is sheer lunacy to welcome Nissan's new assembly plant to the UK so readily.

At best, we could lose as many jobs as we gain and the trade balance will improve by importing kits instead of complete cars. At worst, we shall lose jobs, increase imports, put at least one UK manufacturer out of business and jeopardise the future of those remaining.

The automotive industry already has sufficient *capacity* in the UK and worldwide. Only the Japanese apparently need more and we should ensure that their aims are not achieved at our expense.

The fate of the motor-cycle industry tells us all we need to know.

J. Henrich,
33 Norton Road, Luton.

Competition to supply missiles

From Mr Robert J. Madden.

Sir,—Bridget Bloom's assessment of the competition between the Harpoon and Sea Eagle missiles to provide an anti-ship defence system for the Royal Navy's new frigates (Lombard, January 26), missed three important points:

1—Harpoon is already in service, and proven successful, in the Royal Navy, the U.S. Navy and twelve other navies worldwide. It is also in service in the Royal Air Force on Nimrod aircraft.

2—An offset agreement signed when Britain first bought Harpoon in 1975 has resulted in contracts worth $558m being placed with UK companies. These contracts are all in high technology defence-related areas and, of course, result in jobs in this country.

3—McDonnell Douglas has offered 100 per cent offset to Britain if Harpoon is selected for Royal Navy frigates. No one has doubted our ability to provide this. It is impossible to turn off the offset tap once a target has been reached and total benefits to the UK industry could reach $3,000m by 1990—all of it paying for high technology jobs in the British defence industry.

The argument cannot, therefore, be about British jobs or technology as the 75 British companies and the thousands of British workers currently active on the Harpoon programme are aware.

Robert J. Madden.
Senior Corporate Representative —Europe,
McDonnell Douglas,
Scotia House,
66, Goldsworth Road,
Woking, Surrey.

Access charges for AT & T telephone

From the senior vice-president, National Economic Research Associates

Sir,—The Financial Times (January 16) contains a statement by Miss Kim McKinley, chairman of the British Telecom Union Committee, to the effect that a survey of American Telephone and Telegraph in America has shown that 20 per cent of all users could be forced to relinquish their telephones. I am the author of the only studies which American Telephone and Telegraph has done on access demand and I believe Miss McKinley's description of the *results of those studies* is incorrect.

Residential access charges for telephone service in the U.S. average somewhat below $10 per household per month. If these access charges were set to cover the cost, they would be expected to rise by $10-$20 per household per month. The most recent analysis (which is based on 1980 data) which we have done suggests that a $10 increase in access prices would be associated with about a 3.6 percentage point decline in subscription and a $20 increase with about an 8.5 percentage point decline. This is far less than the 20 per cent drop-off to which Miss McKinley referred.

Her note may have reference to an earlier study which I did for American Telephone and Telegraph in 1978 based upon *1970 census data. That study* suggested elasticities nearly 80 per cent higher than the more recent work, but even the higher values would not produce decreases in subscription as large as those cited by Miss McKinley. In testimony presented in the Department of Justice antitrust case against American Telephone and Telegraph, I did develop several hypothetical examples including one in which 20 per cent *left* the network, but this used a now outdated study (which was based on 1970 data) and required increasing access charges to $40 per month, which is well above the level necessary to cover cost.

I should also note that my recent study suggests numerous ways high levels of penetration in the U.S. could be maintained while still achieving the efficiency gains associated with cost based pricing. Increasing the availability of local measured service would increase penetration. Most consumers in the U.S. *currently subscribe* under a flat-rate access option (a single charge for monthly service regardless of local usage levels).

And, the dramatic increases in access charges described above, assume continuation of flat rate service. But if local measured service options were offered as well (wherein the consumer pays separately for access and for local calling), minimum access charges *would* not need to rise by as much as those described above.

Lewis J. Perl,
Senior Vice-President,
4 Southampton Place, WC1.

FINANCIAL TIMES
Monday February 6 1984

Terry Byland on Wall Street

Hospital stock in good health

THE BLOODLETTING on Wall Street over the past fortnight has heightened the attractions of stocks which, by lagging behind in last year's bull market, are now proving better able to stand up to the current bear phase.

Capital goods issues continued to outperform the market, which did not mean a great deal, in a week which saw the Dow Jones Transportation Average fall by 10 per cent. Among the specialist sector, hospital management and health care issues resisted the general weakness of the market.

Of the four main companies in hospital management, Hospital Corporation of America and American Medical International (AMI) sustained only trifling losses last week, a favourable comparison with the 3.5 per cent wiped off the IBM market capitalisation. Humana and National Medical Enterprises, the other two major hospital companies, lost ground without seeing any of the almost panic dumping of stock only too noticeable in the industrial stock market sectors.

The hospital management groups badly underperformed the rest of the market in 1983. By the year end, the group showed a fall of 12.5 per cent in stock prices compared with the rise of 17.1 per cent on the Standard and Poor's 500 stock index.

The problems overhanging the sector were broadly twofold. Last year saw the introduction of the Prospective Payment System into the U.S. Medicare programmes,

	Price	% off peak	p/e
AMI	24¾	34	12
Hosp. Corp.	40⅝	29	15
Humana	24¾	27	14
Nat. Med. Enterprises	21⅝	34	13

which represent about 40 per cent of hospital revenues. Prospective payment replaces the former cast plus payment system with a set rate of charges for 468 identified treatments.

The change brought uncertainty over future profits of the investor owned groups which was part of more general doubts over the political framework for Medicare. But the danger melted away when President Reagan's budget message contained no unpleasant shocks for the management companies.

The other factor undermining hospital management stocks last year was a decline in occupancy of hospital beds which began to turn higher again only in the last month of 1983.

Taken together, these doubts over future profits severely depressed earnings multiples in the hospital management companies. By the end of the year, the group was selling at average earnings multiple only 1.25 times that of the 11.5 p/e on the Standard and Poor's 500 stock index. In mid-1981, just before the recession struck, the sector was selling at nearly 2½ times the Standard and Poor's p/e.

The sector has already started to respond to the reduction of worries about Medicare cuts, and to the perception that prospective payment, under which companies receive the agreed charge for treatment from the Federal Government without reference to costs, will actually benefit the efficient management groups.

A. G. Becker Paribas, in a study of prospects for 1984, predicts that earnings at the major companies will grow by around 20 per cent this year and that stock prices will rise towards mid-year as investors perceive the improved climate in which the companies are operating.

The group's average p/e multiple of 16 is already improving its relative level against the p/e multiple S & P 500, which is predicted at about 10 for this year.

Becker believes both Humana and National Medical Enterprises will match the 20 per cent growth target it sets for the whole group.

Humana is still tied to the acute care hospital management, and lacks the diversification into psychiatric, home care and general outpatient operations which are proving profitable for the industry.

National Medical, by contrast, has been outstandingly successful in such diversifications, so much so that only about a half of earnings now come from care management.

Merely by holding their stock prices relatively steady over the past month, the hospital management groups have served investors well. If the Wall Street ride continues to be as bumpy as it was last week, then the hospital stocks might prove a safe haven.

NEW OFFER COULD SIGNAL OFFSHORE INDUSTRY BATTLE

Bechtel may bid for UK shipyard

BY MARK MEREDITH, SCOTTISH CORRESPONDENT, IN EDINBURGH

BECHTEL, the big U.S. international engineering and construction group, has emerged as a possible rival to Trafalgar House for the takeover of British Shipbuilders' Scott Lithgow yard on the Lower Clyde.

Bechtel is part of a consortium involving a number of Scottish financial institutions which held talks last week with British Shipbuilders.

Bechtel's interest could also signal a battle of heavyweights for position of strength in the offshore construction industry.

Trafalgar House runs Cleveland Offshore on Teesside in the north-east of England and is anxious to expand its capabilities, while Bechtel with a number of offshore construction management contracts wants to acquire a UK building base.

On Friday Mr Nigel Broackes, chairman of Trafalgar House, which has buildings, property and shipping interests, visited Scott Lithgow and forecast that by the end of the month he would have a deal worked out involving the takeover of the yard and a contract with Britoil for the completion of an £88m ($125.8m) contract for a semi-submersible drilling rig.

He also told reporters he considered Trafalgar House was the only option for Scott Lithgow. "My belief is that there will be no alternative offers," Mr Broackes said.

Yesterday Mr Derrick Hedley, vice-president of Bechtel Great Britain and manager for development in Europe, admitted his company's interest had arrived late in the day. "But we believe we can do something about it."

"There's no doubt the Scott Lithgow workforce has the technical competence to build these rigs. What they do need is the right kind of management," Mr Hedley said.

A team from Bechtel will visit Scott Lithgow today and talks are expected with Britoil within ten days.

Britoil cancelled the contract with British Shipbuilders in December when the semi-submersible drilling platform was two years behind schedule. The decision was expected to lead to the closure of the yard and the loss by the summer of all 4,000 jobs. Eight hundred redundancies have already been announced.

The might of the international groups taking an interest in Scott Lithgow has surprised those who feared that the yard would close and its accumulated experience in semi-submersible construction would be lost.

Last year's budget stimulus to North Sea oil development improved the prospects for the four existing large offshore construction yards in Scotland which produce jackets – the legs of oil and gas platforms. Semi-submersibles are also expected to be more in demand as oil companies embark on deep water exploration and drilling to the west of Britain.

Trafalgar House is planning to buy out British Steel's 91 per cent interest in the RGC offshore construction yard at Methil in Fife, Scotland, although the minority shareholders in the yard have objected to the plans.

The company wants the Fife yard to give it greater scope for offshore platform construction and the Scott Lithgow purchase would add further to this.

Lloyd's may face $100m claim after U.S. satellite failure

BY ELAINE WILLIAMS IN LONDON

LLOYD'S of London faces the prospect of paying out more than $100m for the failed Westar 6 satellite, launched during the latest flight of the space shuttle Challenger.

This would be the largest claim yet for a satellite. More than half the sum insured has been underwritten in the UK market through Sedgwick, the remainder by Alexander and Alexander in the U.S.

The satellite, weighing three tonnes and about the size of a small car, was intended to join Western Union's network of four satellites in providing telephone, television and data links for mainland U.S., Hawaii, Puerto Rico and the Virgin Islands. The satellite could carry 2,400 telephone calls simultaneously.

The loss may be particularly galling to Western Union, which incurred heavy penalty charges when it was persuaded to cancel its original contract to launch the satellite using the European Ariane rocket.

On board Challenger is another satellite waiting for launch in the same way as Westar 6. It is called Palapa, and is intended to provide television and telephone signals from a hovering position above Indonesia. The loss of Westar delayed its deployment on Saturday.

The Indonesians have decided to go ahead today with the launch of Palapa, the second Indonesian satellite in this series.

Ground control engineers at the National Aeronautics and Space Administration (Nasa) launch centre in Houston, Texas, lost contact with the satellite on Friday evening after it was launched into high orbit, shortly after being positioned in space from the shuttle Challenger.

Attempts to locate the satellite met with no success, and Nasa believes it may already have started to break up as it has identified debris which may be part of Westar 6.

Challenger's crew had a further disappointment when another of their experiments went wrong. A 2-metre diameter balloon released into space for use as a buoy during practice for the retrieval of satellites exploded.

● The cause of Westar's failure will probably never be known, writes David Fishlock, Science Editor, in London.

It should have been boosted from the shuttle's earth orbit into a geostationary orbit 22,300 miles above the equator.

One theory being advanced for its failure to do so is that its positioning rockets were faulty. These rockets, or payload assist modules (Pams) are designed to put the satellite in the correct orbit. They are made by McDonnell Douglas and have previously worked perfectly.

Scandinavian Bank profits fall after loss provisions at offshoot

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

SCANDINAVIAN BANK, the London-based consortium bank which is 46 per cent owned by Sweden's Skandinaviska Enskilda Banken, suffered a £3m ($4.2m) decline in group pre-tax profits last year after making "substantial" provisions against loan losses at its Swiss subsidiary.

Mr Garrett Bouton, chief executive, said the provisions relate to potential losses on loans to several Swiss-based general and commodity traders. The bank's Swiss subsidiary, Banque Scandinave en Suisse, is now withdrawing from this type of business.

Market estimates put the total potential losses of this business at about SwFr 40m ($17.2m). Mr Bouton declined to quantify the extent of the provisions, but their impact on the bank's group balance sheet is shown by the fact that its pre-tax profits before provisions rose by 27 per cent last year. After provisions pre-tax profits fell to £10.2m from £13.2m.

Scandinavian Bank, which Mr Bouton said ranks among the top 15 British incorporated banks, acquired a 66 per cent stake in Banque Scandinave en Suisse in 1982.

The Swiss bank had in 1981 admitted to losses of $28m in the currency futures market.

In late 1982 it acquired a new chief executive, Mr Clase de Dardel, who was formerly a senior official of Skandinaviska Enskilda.

"Until the latter part of last year Banque Scandinave en Suisse was very much a portfolio investment. At this point our shareholders have decided that they want us much more actively involved," Mr Bouton said.

As a result, Scandinavian Bank has sent a senior London-based executive, Mr Philip Lewis, to Geneva to assume responsibility for credit control at Banque Scandinave.

Mr Bouton stressed that the loans to trading companies were an isolated problem, entirely unconnected with the bank's previous losses in the currency market.

Banque Scandinave produced an attractive return from its traditional private client business which should boost parent company earnings in 1984 he said.

Scandinavian Bank also had its worst result for about five years in Hong Kong, where its money and foreign exchange trading activities suffered from the general market uncertainty, Mr Bouton said.

In the UK the bank is extending its corporate finance services to British companies with business in Scandinavia.

Over the past two years the group's capital resources have nearly doubled to £213m. Last year total assets grew to £2.5bn from £2bn, while loans and advances rose 17 per cent to £1.49bn.

● Dresdner Bank, West Germany's second largest bank, lost DM42m ($15.1m) when Schröder, Münchmeyer, Hengst, the West German private bank, was unable last year to repay short-term funds, Dr Hans Friderichs, chief executive, told Reuters in Zurich.

Dresdner also incurred serious losses because of financial problems at Deutsche Anlagen-Leasing, the troubled West German leasing concern. Its share of total losses incurred by all banks involved was near 5 per cent, he said.

Euromarkets, Page 15

Renewed civil war threat in Lebanon

Continued from Page 1

In Lebanon the Prime Minister must be a Sunni Moslem, just as the president is always a Maronite Christian, but diplomats say that it is unlikely that Mr Gemayel will be able to find any Moslem of authority to serve in a new government.

He appears to have the three main Moslem communities in Lebanon against it. Both the head of the Syrian-backed opposition, Mr Berri and Mr Walid Jumblatt, the leader of the Druze, have ruled out further talks.

Stewart Fleming adds from Washington: President Ronald Reagan in his Saturday radio broadcast reasserted the U.S. commitment to staying in Lebanon.

"The situation in Lebanon is difficult frustrating and dangerous but that is no reason ... to cut and run," the President said. But with leading Democrats working on compromise for a possible non-binding congressional resolution calling for the U.S. marines to be pulled back from Beirut airport, Mr Lawrence S. Eagleburger, Under Secretary of State for Political Affairs appeared last week to signal a slight shift.

He told the House Foreign Affairs Committee that although the U.S. is sticking to its long-term goals of establishing Lebanon's independence and unity "we do not expect our marines to bring about these ambitious goals."

World Weather

		°C	°F
Ajaccio	F	14	54
Algarve	S	19	66
Algiers	S	18	64
Amsterdam	R	10	50
Athens	C	15	59
Bahrain	S	20	68
Bangkok	S	33	91
Barcelona	F	14	57
Beirut	S	18	68
Belgrade	C	8	45
Berlin	C	8	46
Biarritz	C	13	55
Blackpool	F	6	43
Bordeaux	D	11	52
Brussels	F	6	43
Budapest	F	3	37
B. Aires	C	23	77
Cairo	S	21	70
Cape Town	-	—	—
Caracas	C	28	82
Casablanca	C	14	57
Copenhagen	C	3	37
Corfu	S	16	61
Dublin	C	8	46
Dubrovnik	S	14	57
Faro	C	15	59
Florence	S	12	54
Frankfurt	R	9	48
Funchal	C	15	59
Geneva	S	11	52
Gibraltar	S	17	63
Guernsey	S	8	46
Helsinki	D	-1	30
H. Kong	C	16	61
Innsbruck	Fg	1	34
Inverness	Fg	1	34
Istanbul	C	8	46
Jersey	S	8	46
Jo'burg	C	24	75
Las Palmas	F	20	68
Lima	S	26	80
Lisbon	C	14	57
Locarno	S	4	39
London	S	8	46
Los Angeles	S	25	77
Luxembourg	R	5	41
Madrid	S	15	59
Majorca	S	16	61
Malaga	S	17	63
Malta	C	15	57
Manila	S	31	88
Miami	C	28	82
Milan	Fg	3	37
Moscow	C	-10	14
Munich	F	9	48
Nairobi	-	—	—
Naples	S	14	57
New Delhi	S	22	71
New York	S	11	52
Nice	S	14	57
Oporto	F	13	55
Oslo	Sn	1	34
Paris	C	12	54
Prague	-	—	—
Reykjavik	F	-7	19
Rio de J'o	S	39	102
Rome	S	14	57
Salzburg	C	8	46
Seoul	C	-2	28
Singapore	R	29	82
Stockholm	C	2	36
Strasbourg	C	16	60
Sydney	S	30	86
Taipei	S	18	64
Tangier	C	14	57
Tehran	-	—	—
Tel Aviv	S	23	73
Tenerife	F	19	66
Tokyo	S	5	41
Toronto	Sn	-16	3
Tunis	F	16	61
Valencia	S	16	61
Venice	S	8	46
Vienna	C	8	46
Warsaw	C	4	39
Zurich	F	10	50

Readings at mid-day yesterday

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Brazil accepts arms curbs

Continued from Page 1

despite the severe recession of the past three years.

Joint ventures set up so far have been in such high technology areas as electronics and optometrics. Ferranti of the UK and the Dutch group Philips are among the European companies involved.

U.S. officials say that they will exercise a case-by-case control over planned Brazilian weapons exports containing sensitive U.S. equipment.

"There is no question, for example, of them selling missiles (with U.S. components) to the Libyans," one official said yesterday.

French increase forces in Chad

By David Marsh in Paris

THE FRENCH Government, while stepping up its diplomatic efforts to achieve peace in Chad, is believed to have sent about a dozen helicopter gunships to the central African country in the last few days to back up its military forces.

News of the helicopter deployment, which reinforces the already sizeable number of aircraft and helicopters France already has stationed in Chad and neighbouring countries, came at the end of a three-nation African tour by M Claude Cheysson, the French Foreign Minister.

In Tripoli M Cheysson yesterday met Colonel Muammer Gadaffi, the Libyan leader, who is supporting anti-Government rebels in Chad. M Cheysson, who earlier visited N'Djamena, the Chad capital, and Addis Ababa, was due back in Paris last night and is expected to deliver a full account of his Tripoli discussions to President François Mitterrand this morning.

Fresh airborne support in Chad for the French forces sent there last August to suport the N'Djamena Government, comes amid worries that Libyan-backed rebels, who hold the north of the country, are building up their own military strength.

At the same time, France is making clear that the diplomatic doors are being kept open. A delegation of Chad rebel representatives opposed to President Hissene Habré visited Paris at the weekend for talks with M Guy Penne, M Mitterrand's chief Africa adviser.

One of the rebel representatives, M Mahamat Abba Said, told the French news agency AFP that there were "no fundamental differences" between the anti-Habré grouping and the Paris Government.

Row brewing over Fannie Mae Eurobond

Continued from Page 1

nie Mae's plans until the issue was launched: "Fannie Mae did not tell us before they did it. We found out about it in the market."

The spokesman added: "We were not happy with Fannie Mae backing the Alaska issue. Our attorneys are looking at the bond's prospectus now and it is very possible that we could stop them if they tried to do it again."

A Fannie Mae spokesman said, "They don't have much ground to stand on in criticising Fannie Mae since we're only a subsidiary player in this deal. We did not tell the Treasury because we thought it was a normal transaction in the course of Fannie Mae's business." But he added that Fannie Mae had never backed a bond launched through the Antilles before.

The bond was initially to be backed by the Federal Home Loan Mortgage Corporation ("Freddie Mac"). The corporation agreed the terms with Salomon Brothers, the investment bank arranging the bond issue, and Alaska Housing Agency presented the idea of the package to European investors through a roadshow a few weeks ago.

Then, according to Mr Edward Gray, chairman of both Freddie Mac and its overseer, the Federal Home Loan Bank Board, "The Treasury urged the board to take a very close look at the transaction."

The board decided that the deal "raised significant policy issues." While Freddie Mac decided the deal should be reviewed, Fannie Mae stepped in as backer instead.

THE LEX COLUMN

Brussels warns the bourses

Around the world, 24-hour markets in securities are becoming a reality. In bonds and increasingly certain equities, too, the big trading houses are switching inventories from time zone to time zone: from Tokyo to London to New York and on to Tokyo again. Technology is breaking down the barriers of distance and time.

To the European Commission in Brussels this poses a serious threat to the various national stock exchanges in the EEC. International dealing expertise and availability of capital resides very largely in the hands of the big American and Japanese securities houses. Recently U.S. investors have become active players in the markets of the shares of leading European companies – and many people argue that they will become even more important when the dollar weakens. Who will be making the markets in those stocks then?

Impact of ADRs

Already trading in New York in the American Depositary Receipts representing leading European stocks is becoming a major factor for markets on this side of the Atlantic. In the UK this has had the much-discussed side effect that it allows British institutions to deal in a way that avoids the 2 per cent stamp duty on domestic transactions. But much more important is the threat that is posed to the structure of the market itself.

To international investors in major companies, Europe is not so much a set of different countries as a single time zone. If Europe itself does not set up a properly integrated international market then the European Commission fears that somebody else will. The precedent might well be the Eurobond market, with a powerful American involvement.

History and politics, needless to say, are not on the Commission's side. Stock exchanges around Europe differ widely in structure and outlook. Some, like London and Amsterdam, have a reasonably international approach. But the West German stock exchanges are regional, while Milan is tiny and ill-regulated. At the nuts and bolts level, a serious obstacle is that the settlement systems are all different.

Behind the scenes, however, discussions are taking place. Several international conferences have been held – the most recent one being in Athens last autumn – and the Commission has sponsored an inquiry by two consultants, Mr Michael Hall and Mr Malcolm Duncan. The final Hall-Duncan report has yet to be produced, although they have circulated interim studies.

On the table is a proposal for an electronic information service called Idis – the Inter-Bourse Data Interchange System. It would cover the top 200 European stocks – those which are already listed on more than one exchange. And it is suggested that it should also include an additional 20 stocks from each member exchange selected on the basis of international potential.

But it is still far from clear what Idis would be designed to do. Opinion appears to be hardening that it should be a link-up between trading floors rather than an off-floor broker-to-broker service, but it remains to be seen what the final Hall-Duncan advice will be. Stock exchange working parties are looking at how Idis might be applied to real time dissemination of bid and offer prices. The first priority, however, is likely to be attached to progress in the area of settlements.

In all this the European Commission is seeking to act as a catalyst. It is issuing warnings – "It is now five minutes to midnight for the European stock exchanges" is one view in Brussels – and it is hoping that a push in the right direction will get the various exchanges moving on their own.

It is treating the question of trading international grade equities as being quite different from the listing of run-of-the-mill stocks which are affected by the various company law and capital market directives which are grinding interminably through the legal and bureaucratic machinery. There is little danger that the markets in the shares of small companies will suddenly move elsewhere (though it should be borne in mind that one or two small European technology companies like Rodime of the UK have chosen to be traded on the U.S. OTC market rather than anywhere in Europe).

Protectionism

But whether the various national stock exchanges will share the pan-European aspirations of the Commission is another matter. Some will take a pragmatic view, arguing that if there is a commercial need for an international market it will develop naturally. Others will take a protectionist line, reckoning that they have more to lose than to gain from opening links to bigger markets in other countries. Stock markets are riddled with restrictive practices and protected franchises.

The position of the London Stock Exchange is crucial in all this, partly because of its size and partly because it is seen on the European continent as being suspect, to say the least, in its loyalty to Europe. For the time being, in any case, London is almost wholly absorbed in its own problems of deregulation and restructuring. And looking a little further ahead, there is a strong chance that London will seek to do its own time zone deal with the big New York houses rather than be willing to enter seriously into any starry-eyed scheme for a Euro Superbourse.

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Optimistic dealers try to drum up Eurodollar rally

BY MARY ANN SIEGHART IN LONDON

THE FIRST tell-tale sign of a rally emerged in the Eurodollar bond market last week – dealers buying bonds and telling each other how bullish they were about the market.

The idea is that if dealers are optimistic and start buying bonds, prices will rise and investors will come into the market, hoping to cash in on the rally.

The first stage of this process is under way; the second is not so much in evidence. Investors have hardly swamped dealers with orders, though a certain amount of retail interest was reported towards the end of the week.

But what is encouraging is that the market has a firm undertone. Dealers perceive little downside risk, at least in the short term, and some upside potential. And Friday's news of a $1.7bn fall in the U.S. M1 measure of money supply should keep sentiment high.

Because of the widespread optimism, most of the week's new issues were lapped up with ease, the only relatively slow seller being a $50m floating rate note for Pirelli. There is still some resistance among investors to FRNs from corporate borrowers, possibly because a large proportion of buyers are banks, which can lend readily to other banks and sovereign names, but have to open special credit lines if they want to lend to corporations.

Coupons on convertibles in both dollars and Swiss francs have hit all-time lows. Ono Pharmaceutical's $60m convertible was given a 3¼ per cent coupon, but still traded at a price of 120.

The Japanese, meanwhile, are close to offering zero-coupon bonds at par in the Swiss franc market.

All the convertible private placements last week had token 1⅞ per cent coupons, which raises the question of what would happen to the prices of the bonds if the Tokyo stock market fell.

Salomon Brothers hit the headlines in the dollar sector with two issues last week. It led a $100m bond for the Alaska Housing Agency, the first U.S. state agency to tap the Eurobond market. The issue was a great success, selling at only a tiny discount to its issue price.

Investors seem not to mind that the bond has a sinking fund of undetermined size linked to the rate of prepayment of mortgages. This means that the more mortgages are prepaid, the more bonds will be redeemed early.

Salomon's other interesting deal was a novel method of offering zero-coupon bonds new to the Euromarkets, but widely used in the U.S. Salomon has bought $120m of an Inter-American Development Bank Yankee issue, stripped the coupons and offered them at different discounts to par according to their maturities.

The tranches mature semi-annually between June of this year and 2008, the final maturity date of the bond. Investor demand has apparently been strongest for the shortest and longest maturities, with less interest in the middle ranges.

Following on from Salomon's example, Goldman Sachs is reported to have been buying up World Bank Yankees due 2002 in New York. It is not clear though, whether the same formula will be used.

The West German market has been buoyant all week on the back of a weakening dollar. Secondary market prices rose by over a point and all the recent issues have traded in the pre-market at tiny discounts of around ½ point.

As one dealer put it, "At DM 2.85 to the dollar, nobody wants to buy D-Marks, but at DM 2.75, everyone wishes they had done it earlier."

Investors in the Swiss franc bond market were a little more hesitant. The dollar has weakened less against the Swiss franc than the D-Mark and short-term interest rates have edged down only slightly. Prices rose on the week by about ¼ point.

Soviet credit welcomed despite tightness of terms

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

A WARM welcome awaited the Soviet Foreign Trade Bank when it formally launched its long-awaited $150m credit on Friday.

The credit was quickly more than two-thirds subscribed and remaining syndication is expected to be complete within days.

This is despite terms that initially appear to be tight compared with those that many lenders had hoped for. The loan is to bear a margin of only ⅝ per cent over Eurocurrency rates, while many banks had been looking for a margin closer to ¾ per cent.

But the Soviets have given some ground on the maturity, which has been set at five years, with repayments beginning after a grace period of four years. The deal's short life, coupled with the front-end fee of ⅜ per cent, thus gives a total yield of about ¾ per cent.

Lloyds Bank International has joined Dresdner Bank in arranging the credit on a club basis. They are putting up $15m, as is Crédit Agricole of France.

Leading banks from Austria, Canada, Finland, Italy and Sweden are also in the transaction, while U.S. and Japanese banks are expected to subscribe soon.

The shortage of new international lending opportunities may have added to the loan's attraction. Its successful launch, however, also marks a further step in the cautious reopening of the loan market for Eastern European names. This was effectively shut down by the Soviet invasion of Afghanistan and the Polish debt crisis – last year there were credits for Czechoslovakia and Hungary.

That apart, the Soviet deal also helped last week to inject a flicker of life into the syndicated loan market. January was one of the quietest months on record, but last week saw the launch of another long-awaited loan in the form of $100m for Qatar Petrochemical Company.

BHF Bank bond average		
Feb 3		Previous
98.813		98.761
High	1983-84	Low
102.017		97.699

New loans were also launched for Turkey and Indonesia, but bankers in the floating rate note market say there is still no sign of the saturation that would drive top-quality names back to Eurocredits.

Among loans already in the market, the Ecu 250m ($200m) credit for Italy's energy conglomerate Ente Nazionale Idrocarburi is heavily oversubscribed and may be increased to at least Ecu 300m. Its clear success should allay doubts about the depth of the Ecu market.

One factor behind the stream of positive replies is the leading banks' awareness of the fact that other European borrowers, notably France, are keen on Ecu business.

Those banks which want to win a share of these loans must now demonstrate their expertise in Ecu transactions.

It was a relatively quiet week on the rescheduling front. Yugoslavia has still not replied to a proposal from commercial bank creditors for a rescheduling of up to $1.6bn in debt falling due this year.

This raises fears that the current temporary freeze on principal repayments may have to be renewed when it expires at the end of March.

By Friday Argentina and its leading creditors had also failed to agree in New York on terms for a further disbursement of the $1.5bn medium-term loan arranged as part of last year's debt rescue package.

Few banks expect the new government of President Raul Alfonsin to negotiate a rescheduling package quickly. A disbursement of the remaining $1bn from the medium-term loan, however, would at least help the country to reduce its payment arrears, now put at some $3bn, before the important March 31 balance sheet deadline for U.S. banks.

By the middle of this month Argentina also has to repay $350m due on the separate $1.1bn bridging loan granted by bank creditors last year.

Some banks argue that this could be paid out of the reserves Argentina is building up from its grain sales.

Union Pacific Corporation, the U.S. railway, oil, mining and property group, is meanwhile making what is believed to be its first foray into the Euromarket with a two-year, $75m credit to back up the issue of commercial paper.

Led by Crédit Suisse First Boston, the credit bears a margin of ⅛ per cent and a commitment fee of 0.15 per cent or 0.25 per cent, depending on utilisation.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
Kayaba Ind. ¶‡	30	1989	5	6¼	100	Yamaichi Intl.	6.250
Ono Pharm §‡	60	1998	15	3¼	100	Nikko Secs.	3.250
Hill Samuel †(a)‡	30	1996	12	¼	100	Mgn. Guaranty, Hill Samuel	–
Ind. Bk. of Japan ‡	125	1989	5	11½	100	IBJ Intl., SG Warburg, Mgn. Gty., Mgn. Stanley	11.500
Commerzbank ¶†(b)‡	100	1989	5	0	100	Commerzbank, CSFB, Orion Royal Bank	–
Mitsubishi Metal ¶	40	1989	5	6	100	Nikko Secs., Mitsubishi Fin., Mgn. Grenfell	*
CCF †(a)‡	250	1996	12	¼	100	CCF, Bankers Tst. Intl., Mgn Gty., Sumitomo Fin. Intl.	–
Norwest Corpn. ‡	50	1991	7	12⅛	100	Salomon Bros.	12.125
Pirelli †‡	50	1994	10	¼	100	CSFB, Citicorp	–
Minebea ¶	100	1989	5	6¼	*	Nomura Intl., Baring Bros., Daiwa Eur., LBI, LTCB Intl.	
Creditanstalt Bkv. †‡	150	1996	12	1/16	100	Merrill Lynch, EBC, Man. Hanover, Samuel Montagu, Mgn. Stanley, SG Warburg, SBCI	–
Alaska Hsing Agency ‡	100	1994	–	11¾	100	Salomon Bros.	11.750
Neste Oy †‡	100	1994	10	⅛	100	Mgn. Guaranty, Man. Hanover	–
CANADIAN DOLLARS							
Can. Occidental Petr. X‡	60	1999	15	12⅜	99½	Orion Royal, Hambros, Burns Fry, Bache Halsey	12.450
AUSTRALIAN DOLLARS							
PIBA ‡	40	1989	5	12⅜	100	Orion Royal Bank	12.375
D-MARK							
Pepsico ‡	250	1994	10	7¼	100	Dresdner Bank	7.250
World Bank ‡	200	1994	10	8	99½	Deutsche Bank	8.075
World Bank **‡	100	1989	5	7¾	99½	Deutsche Bank	7.875
D-MARKS							
Credit National ‡	200	1994	10	8⅛	99½	Commerzbank	8.208
Council of Europe ‡	150	1994	9	8¼	100¼	BHF-Bank	8.212
SWISS FRANCS							
Nitto Boseki **§‡	60	1989	–	1⅞	100	Banca del Gottardo	1.875
Nippon Suisan **§‡	60	1989	–	1⅞	100	CS	1.875
Misuno Corpn. **§‡	25	1988	–	1⅞	100	SBC	1.875
Sumitomo Bakelite **§‡	50	1989	–	1⅞	100	SBC	1.875
Cofiroute ‡	60	1994	–	7	100	Paribas (Suisse)	7.000
Amada Co. **§‡	100	1989	–	1⅞	100	UBS	1.875
First City Fin. Corpn. X‡	75Φ	1994	–	8¾	–	Soditic	8.750
Sears Roebuck **‡	230	1991	–	5⅜	99¾	UBS	5.419
Daiwa House **§	100	1989	–	2	100	UBS	*
Sumitomo Elec. Inds. **§	100	1989	–	1⅞	100	CS	*
Morinaga & Co. **¶	30	1989	–	3¾	*	CS	*
Nakamuraya **§	20	1989	–	2	100	SBC	*
Zenchiku **§	20	1989	–	2	100	Swiss Volksbank	*
Nippon Shinpan §	100	1992	–	2⅛	100	CS	*
Nat. Bking Corpn. of Australia	100	1994	–	*	*	CS	5.625
STERLING							
EIB ⊙ ‡	75	1992	8	10¾	97½	Mgn. Grenfell	11.240
ECUs							
Citicorp Ovs. Fin. ‡	30	1990	6	10⅝	100	BNP, Citicorp Intl.	10.625
Denmark	75	1991	7	10¾	*	Kredietbank Lux.	10.750
YEN							
Asian Devt. Bank	15bn	1994	10	7½	*	Daiwa Secs.	*
Autop. del Atlantico **‡	4bn	1993	8½	8.4	100	Daiwa Secs.	8.576

* Not yet priced. ‡ Final terms. ** Placement. § Convertible. † Floating rate note: coupon is spread over 6-month Libor. (a) Spread over mean of 6-month bid and offered rate. (b) Spread over 3-month Libor. ¶ With warrants. X Dual currency issue repayable in dollars. Φ Minimum. ⊙ Includes £25m tap. X Increased. Note: Yields are calculated on AIBD basis.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Volcker speech likely to determine market psychology

MR PAUL VOLCKER, the Federal Reserve Board chairman, returns to Capitol Hill for his semi-annual appearance tomorrow to deliver the Fed's monetary targets for the year. *His testimony will determine* market psychology this week—and the market's response to the $16.25bn Treasury refunding package which also starts tomorrow with the auction of $6.5bn of *three-year notes.*

Mr Volcker's prepared comments, which appear likely to be officially released by Congress today ahead of his testimony for the first time (a move which follows extensive "leaking" of his prepared test last year), are expected to confirm the provisional 1984 monetary targets set last July.

The markets will be particularly interested in his assessment of the current state of the economy and in the relative importance he attaches to M1 and the other monetary aggregates.

The one near certainty about Mr Volcker's testimony is that he will use the opportunity *once again* to attack Federal budget deficits. In the aftermath of the President's State of the Union speech and then his $925.5bn budget which forecast a $180bn deficit next fiscal year (and equally large ones further down the line) the budget issue is clearly in the political spotlight.

For the credit markets the most immediate reminder of the real impact of deficit problem remains the refunding this week, which is part of the Treasury's efforts to raise an estimated $183bn in the current fiscal year. Aside from the three-year note issue, the refunding package consists of $5.35bn of 10-year notes for auction on Wednesday and $4.5bn of 30-year bonds on Thursday.

In the run up to the auctions, action in the credit markets has been eclipsed by the sell-off in the equity market and the *dollar's slide.*

The credit market's sullen mood last week was coloured by the latest batch of economic statistics which showed an unexpectedly strong 0.6 per cent increase in the December leading economic indicators, healthy new car sales figures, and a further drop in the January unemployment rate.

This mood was reinforced by the release on Friday of the report on the December Federal Open Market Committee (FOMC) which showed that the Fed decided to hold monetary policy stable, but with a slight bias towards firming.

The Committee voted to maintain "at least the existing degree of restraint on reserve positions subject to the possibility of a slight increase in such restrain depending upon developments relating to the outlook for economic activity and price pressures."

Even the $1.78bn decline in M1 announced late on Friday—which leaves the basic money supply measure about $1.38bn below the bottom end of the provisional 1984 targets—failed *to revive the credit markets.*

As a result government issues generally posted small price declines in quiet trading. The Treasury long bond closed the week around ⅛ of a point lower at 102⅛.

In the money markets the Fed funds rate remained around the 9.5 per cent level while three-month T-bill rates closed at 9.02 per cent—a gain of around 5 basis points.

In contrast seasonal corporate issues did manage to post small price increases of around ⅛ to ¼ of a point while new issue rates were basically unchanged. New issue volume fell sharply to around $736m from $1.4bn a week before.

Among the new corporate issues the Bank of Boston launched $100m of floating rate subordinated 12-year notes.

Paul Taylor

U.S. INTEREST RATES (%)

	Week to Feb. 3	Week to Jan 27
Fed funds weekly average	9.41	9.53
3-month CDs	9.30	9.30
3-month T-bills	9.02	8.98
30-year Treasury bond	11.69	11.68
AAA Utility	12.63	12.63
AA Industrial	12.38	12.38

Source: Salomon Bros (estimates). In the week ended January 18 M1 fell by $1.7bn to $521.8bn.

New IMF figures show true extent of debts

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

AN ADDITION to the range of statistics available on international banking has come with the launch of a series of country debt figures by the International Monetary Fund.

Work on the new figures, which are published in its monthly International Financial Statistics, began *as long ago as 1981, but the detailed* information they provide has been made all the more urgently needed because of the Latin American debt crisis.

The new data involve a blend of existing IMF figures on the external business of banks in member countries with the quarterly figures on banking flows produced by the Bank for International Settlements. The Fund has added some new data to give a much more accurate breakdown of international bank lending, especially to non-banks.

On the lending side its sources are more wide-ranging than the 15 reporting countries which provide the BIS figures. The IMF has already added three more countries — Singapore, Hong Kong and Bahrain — and it plans gradually to add a further 19 so that banks in all countries with external assets of more than $2bn will be included.

Three new tables have been published covering cross-border interbank accounts, international bank credit to non-banks, and international bank deposits by non-banks. By adding up a country's interbank liabilities, its borrowings by non-banks from the banking system and the deposits of non-banks in its own banking system, a fairly complete picture of its indebtedness to the banking system can be drawn.

In most cases, the total will be larger than that provided by the BIS because of the broader collection base. Brazil's bank indebtedness on IMF calculations at the end of last June was $73bn, whereas the BIS put it at only $57bn.

But the IMF figures also contain some local currency liabilities. Unlike the BIS statistics they are not adjusted for currency fluctuations, so they cannot be used to construct a picture of real financial flows. Like the BIS statistics, they also suffer from a considerable time lag so that the trends represented are not up to the minute.

Nonetheless, the new statistics reveal some useful insights. Deposits abroad by non-banks can be used as one measure of capital flight. The figures show that Mexican citizens put more than $2bn in bank accounts abroad in the year to September 1982. By the middle of last year none of this money had flowed back despite the country's improving economy — indeed the outflow had increased by $20m to a total outstanding of $9.15bn.

The total figures for cross-border interbank business do not give a *full picture of activity in the interbank* market because they exclude funds moving around within individual countries. But the slowdown is still very clear. In the year to last June the international interbank market grew by only $89bn, less than half its growth in the previous year.

Challenge to Getty bid fails

A Federal judge in Tulsa, *Oklahoma has denied a request* for an injunction that would have blocked the $10.1bn takeover of Getty Oil by Texaco, the U.S. oil major, Reuter reports from Tulsa.

Pennzoil, the Houston natural resources company, had sought the injunction in a private antitrust suit. Pennzoil, which had previously agreed to buy part of Getty, argued that the Texaco - Getty combination would be anti-competitive.

Boost for mobile phones

THE SEVEN holding companies created by the break-up of American Telephone & Telegraph (AT & T) have reached settlements with independent phone companies that will speed the construction of cellular mobile phone systems in 22 U.S. cities, Our Financial Staff write.

Bell South, one of the seven new companies, said a notice of the settlement had been filed with the Federal Communications Commission.

The company said the settlements involved 23 companies that had been competing for the right to build cellular systems. Without the settlements the FCC would have had to hold time-consuming hearings to compare the qualifications of the applicants and select a winner in each city.

Bell South said its systems would be operating by the end of 1985, several months to a year earlier than projected. The only major system in commercial operation is in Chicago. It opened last October.

Sabic issue given cool reception by non-Saudis

By Mary Frings in Bahrain

A SR 2bn ($570m) share issue by Saudi Basic Industries Corporation (Sabic) has been greeted coolly by investors from the other five Gulf Co-operation Council states—Bahrain, Kuwait, Qatar, Oman and the United Arab Emirates.

When the issue closed this weekend, **the 200,000 shares on offer to non-Saudi investors were under-subscribed.**

The Riyadh-based Consulting Centre for Financing and Investment (CCFI), which is managing the issue, said coverage from the Gulf states was about 60 per cent. There was no immediate breakdown on the distribution of subscriptions but in Bahrain the response was very poor.

National Bank of Bahrain handled applications for 8,025 shares, while at Bank of Bahrain and Kuwait, normally the most active in offshore company share floats, the tally was under 200. Total subscriptions from Bahrain amounted to only 4 per cent of the Gulf portion of the issue.

The Saudi portion (1.8m shares) attracted 200 per cent coverage and CCFI said the shares not taken up in the Gulf might be distributed to Saudis when the allotment takes place in six weeks.

The Saudi Government plans eventually to sell off 75 per cent of Sabic, a SR 10bn company set up in 1976 to develop the petrochemicals industry.

This first 20 per cent offering was priced at 18 per cent above the SR 1,000 nominal value of the shares.

Mattel to report negative net worth

BY TERRY DODSWORTH IN NEW YORK

MATTEL, the loss-making U.S. *toy company* which is being supported by the banks during an extensive reorganisation programme, says it will be forced to report negative net worth of $150m in its accounts to January 28.

The group also said it was selling the vestiges of its once highly profitable electronic games business for $20m in a management buyout agreement.

But the sale would incur substantial provisions against the discontinuance of this division, and there would be further fourth-quarter operating losses to absorb. The company would also have to make further write-offs against the sale of its Western Publishing unit, which is being disposed of for $75m under a previously-agreed *deal.*

At the end of the third quarter, shareholders' funds had dropped to $26.7m after huge write-offs against the electronic games activities, which lost $276.5m *in the first nine* months of its fiscal year. At the company's last balance sheet date in January 1983, shareholders' funds stood at $274.6m.

Under the disposal agreement for the electronic games division, Intellivision Video is being sold to Mr Terence Valeski, senior vice-president of marketing for Mattel Electronics, and an independent group of investors.

Mattel will now concentrate its resources on the toys and hobby segments, where its results have been running at record levels, partly due to the success of its Barbie dolls. As a result, it intends to discontinue its entertainment business segment, and will seek a buyer for its Circus World theme park in Orlando, Florida.

The company has also omitted payment of its quarterly dividend on its cumulative convertible preferred stock for the current quarter under regulations which prohibit dividend *payments for a company with negative net worth.*

Sharp decline for CPE

CANADIAN PACIFIC Enterprises, the non-transportation arm of Canadian Pacific, has reported a sharp fall in 1983 net profits from C$150m (U.S.$120m) or $1.05 a share to C$94m or 61 cents, **Robert Gibbens reports from Montreal.**

More than half the 1983 earnings came in the last quarter, when a C$31m gain from the sale of CP Hotels helped lift earnings from C$14m to C$68m.

CPE's subsidiaries in metals and mining, such as Cominco, and in forest products—Great Lakes Forest Products and CIP—have been severely affected by the North American and world recession. Algoma Steel has also been adversely affected and even AMCA International, *based in the U.S., has for the* first time in a decade posted lower profits.

A sound performance by Pan-Canadian Petroleum over the past two years has helped offset red ink *elsewhere.*

The Canadian Pacific rail operations have been doing better, and the Canadian Pacific group overall expects a better year in 1984 but full recovery may well be delayed until 1985.

INTERNATIONAL APPOINTMENTS

President named for Chrysler

CHRYSLER CORP has named **Mr Harold K. Sperlich** as president, filling an office that had been vacant since 1981. Mr Sperlich, president of Chrysler's North American automotive operations since 1981, was already one of four members of Chrysler's office of the chairman. Other members are: chairman **Mr Lee Iacocca**, vice-chairman **Mr Gerald Greenwald**, and *executive vice-president* **Mr Bennett Bidwell**. Mr Sperlich was placed recently in charge of Chrysler de Mexico in addition to U.S. and Canadian operations.

● **Dr Artur Fuerer**, currently chairman of Nestle, is foreseen as next chairman of BANK LEU, Zurich. At the Bank's March 9 shareholders' meeting, Dr Fuerer will be nominated for election to the board of the Bank—one of Switzerland's "big five"—with a view to succeeding **Dr Edwin Stopper**. Dr Stopper, who before he became Leu chairman was president of the Swiss National Bank, is to retire at the end of May. **Mr Claus Nuescheler**, chairman of the Zurich-based international trading house Siber-Hegner, is also up for nomination as a new board member.

● **Mr Brian E. McHugo** has resigned as managing director of GREYHOUND FINANCIAL & LEASING CORP to pursue other interests. **Mr Richard Grim** has been appointed managing director of Greyhound Financial & Leasing Corp A.G., Zug, Switzerland (GAG), a medium-term secured lending affiliate of The Greyhound Corp, Phoenix, Arizona.

● **Mr S. Frederick Gronick**, vice-president in charge of the European continental offices of the MOTION PICTURE EXPORT ASSOCIATION OF AMERICA, has been promoted to a senior vice-president. He is responsible for operations in the UK, most of western Europe, and North Africa. He has headquarters in London and Paris.

● ENVIRONETICS INTERNATIONAL INC, the American office design company, has created an office of the president. **Mr Alan Briskman** and **Mr Donald A. Sachar** have been appointed to the office as co-presidents. Mr Briskman and Mr Sachar succeed **Mr Lerner**, who remains chairman and chief executive officer. Mr Briskman will lead Environetics' planning and production operations while Mr Sachar will be responsible for marketing and business development.

● **Mr Ronald J. Gidwitz**, president and member of the board of directors of Helene Curtis Industries Inc, has been appointed a public director of the CHICAGO BOARD OF TRADE. He has been appointed to a three-year term, beginning on February 1. *He will serve as* one of three non-member public directors called for by the rules and regulations of the board of trade.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australian Com. 11¾ 90	100	100½	101	+0⅛	+0⅛	11.06
Australia Com. 11½ 95	300	97½	98	+0⅛	+0⅛	11.84
Australia Com. 11⅝ 98	100	97¾	98¼	+0⅛	+0⅛	11.92
Bank of Tokyo 11 90	100	95¾	96¼	+0½	+0½	11.93
Bank of Tokyo 11⅞ 90	100	98⅞	99⅜	+0⅛	+0⅛	12.05
Britoil Fin. 11⅞ 90	125	100	100½	+0⅛	+0⅛	11.79
Canada 10⅞ 88	500	98½	99	+0⅛	+0⅛	11.20
CCCE 12⅝ 95	75	100⅝	101⅛	+0⅛	+0½	12.45
CIBC 11 90	75	92¾	93¼	+0⅛	+0⅛	12.69
Citicorp O/S 10⅝ 90	100	91⅝	92⅛	0	+0⅛	12.28
Citicorp O/S 11⅛ 90	100	98⅜	98⅞	+0⅛	+0⅛	12.03
Den. Norsk Crd. 11¾ 93	50	92¾	93¼	+0⅛	+0⅛	12.54
Denmark Kgdm. 12½ 93	100	98¾	99¼	+0⅛	+0⅛	12.42
ECSC 11⅞ 90	75	99½	100	+0⅛	+0⅛	11.89
EDF 11⅛ 93	100	93⅞	94⅜	+0⅛	+0⅛	12.20
EEC 11 87	350	98⅞	99⅜	0	+0⅛	11.36
EEC 12 93	50	100	100½	+0⅛	+0⅛	11.94
EIB 10⅝ 93	200	92⅝	93⅛	+0⅛	+0⅛	12.04
EIB 11 91	125	95½	96	+0⅛	+0⅛	11.91
EIB 11½ 90	200	97⅜	97⅞	+0⅛	+0⅛	12.01
Eksportfinans 11½ 90	100	97¼	97¾	0	+0⅛	12.03
Electrolux 10½ 90	50	92⅞	93⅜	0	+0⅛	12.08
Fuji Int. Fin. 10⅞ 90	100	94⅜	94⅞	+0⅛	+0⅞	12.12
GMAC O/S Fin. 11⅝ 90	100	99⅝	100⅛	+0⅛	+0⅛	11.37
Honeywell Int. 10¾ 90	100	96⅜	96⅞	+0⅛	+0⅛	11.53
IC Indust. Fin. 11⅞ 98	75	96½	97	+0⅛	+0⅛	12.35
Ind. Bk. Japan 11⅞ 91	100	99⅝	100⅛	+0⅛	+0⅛	11.88
ITT Finan. 11½ 89 WW	125	99¾	100¼	+0⅛	+0⅛	11.48
Japan Air Lines 10⅞ 98	42	93	93½	+0½	+0⅛	11.86
Japan Air Lines 11 93	75	95½	96	+0⅛	+0⅛	11.75
J. C. Penney 11⅞ 90	100	100⅜	100⅞	0	−0⅛	11.70
J. P. Mrgn. 11⅜ 90 WW	150	99	99½	+0⅛	+0⅛	11.51
Levi Strauss Int. 11 90	75	97¼	97¾	+0⅛	+0⅛	11.54
LTCB 10¾ 90	100	93⅝	94⅛	+0⅛	+0⅛	12.18
LTCB 12½ 90	85	102½	103	+0⅛	+0⅛	11.84
Merrill Lynch 10⅝ 90	200	95⅛	95⅝	0	+0⅛	11.69
Mitsubishi Fin. 11⅜ 90	100	96½	97	+0⅛	+1¼	12.10
Nippon Credit 11 90	100	94½	95	+0⅛	+0½	12.22
Nippon Credit 11⅞ 90	100	98½	99	+0⅛	+0⅞	12.13
Ontario Hydro. 10¾ 90	250	93¾	94¼	0	+0⅛	11.62
Ontario Hydro 11⅜ 90	200	100½	101	0	+0⅛	11.55
Pacific Gas & El. 12 91	75	101⅝	102⅛	0	−0⅛	11.59
PK Banken 12 90 WW	75	97¾	98¼	+0⅛	+0⅛	12.46
Prudential 10⅝ 93 WW	150	95¾	96¼	+0⅛	+0⅛	10.77
Prudential 10⅛ 93 XW	150	90¼	90¾	+0⅛	+0⅛	11.79
Quebec Hydro 11½ 92	100	†98¼	98¾	+0⅛	+0⅛	11.77
Sears O/S Fin. 11½ 88	125	101⅜	101⅞	+0⅛	+0⅛	11.02
Sears O/S Fin. 11⅜ 91	150	98¾	99¼	+0⅛	+0⅛	11.84
Sears O/S Fin. 11⅝ 93	150	98⅝	99⅛	+0⅛	+0⅛	11.80
S. Cal. Edison 10½ 90	75	95⅛	95⅝	0	+0⅛	11.52
Sumitomo Fin. 10⅞ 90	100	94⅛	94⅝	+0⅛	+0⅛	12.17
Texaco Capital 10½ 93	200	94⅞	95⅛	+0⅛	+0½	11.38
Tokai Asia 12¼ 91	100	99⅞	100⅜	+0⅛	+0⅛	12.22
UBS 10 88	100	98⅝	99⅛	+0⅛	+0½	10.31
World Bank 11⅛ 88	100	99⅛	99⅝	0	+0⅛	11.35
World Bank 11¾ 90	200	97	97½	+0⅛	+0⅛	11.84
World Bank 11½ 90	150	98⅜	98⅞	0	+0⅛	11.78
World Bank 12 93	200	100⅜	100⅞	+0⅛	+0⅛	11.65

Average price changes... On day +0⅛ on week +0⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amca Intl. 8¾ 91	100	98½	99	+0⅛	+0⅛	8.47
ANAS 8½ 91	150	96⅝	98⅛	+0⅛	+0⅛	8.82
Arab Bnkg. Cpn. 8 88	100	97⅛	97⅝	+0⅛	+0⅞	8.66
Asian Dev Bk. 8½ 93	200	100⅛	101	+0⅛	+0½	8.37
Austria Rep. 7¾ 89	100	100½	101	+0⅛	0	7.44
Avon Int. Fin. 7½ 93	100	100⅝	101⅛	+0⅛	+0⅛	7.34
Barclays O/S 8¼ 98	250	100⅞	101⅜	+0½	+1⅛	8.00
Beatrice Foods 7¾ 93	130	102⅝	103⅛	0	+0⅛	7.32
ECSC 8 90	160	100⅞	101⅜	0	+0⅛	7.76
EIB 8 93	200	99⅜	99⅞	+0⅛	+0⅛	8.05
Eurofima 7½ 90	100	100⅝	101⅛	+0⅛	0	7.29
Europarat 8¼ 93	150	100	100½	+0⅛	+0⅛	8.18
Finland Rep. 8 90	150	100⅜	100⅞	+0⅛	+0⅛	7.87
IADB 8¼ 93	150	99¼	99¾	+1	+1⅛	8.32
Int Standard Ele 7¾ 90	100	101⅛	101⅝	0	+0⅛	7.11
Int. Standard Ele. 7¾ 93	100	101½	102	+0⅛	+0⅛	7.48
Ireland 8⅝ 91	150	100⅝	101⅛	+0½	+0⅛	8.43
Japan Devt. Bk. 7½ 90	100	100⅞	101⅜	+0⅛	+0⅛	7.26
LTCB 8 90	100	101	101½	0	+0⅛	7.71
Megal Fin. 8¼ 94	150	97⅞	98⅜	+0½	+0½	8.57
Sth. Africa Rep. 8½ 91	200	101⅛	101⅝	+0⅛	+1½	8.25
SNCF 8⅛ 93	100	99⅝	100⅛	+0⅛	−0⅛	8.14
Veba Int. F. 4 93 WW	300	135	136	−1⅛	+5	0.34
Veba Int. F 4 93 XW	300	78	78½	+0⅛	+0⅛	7.14
World Bank 7⅞ 89	300	100⅜	100⅞	+0⅛	+0⅛	7.72
World Bank 8 93	300	99⅛	99⅝	+0⅛	+0⅛	8.09

Average price changes... On day +0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin. 7¼ 91	57	†78½	79	+0⅞	+1⅞	11.51
Bank of Tokyo 6 91	100	†102½	103	+0⅛	+0½	5.54
Denmark 6½ 91	100	†103	103½	0	−0⅛	5.82
EEC 6 93	100	†101⅛	101⅝	+0⅞	+0⅛	5.79
Elec. Power Dev. 5⅝ 93	100	†101	101½	+0⅛	+0⅛	5.46
Europarat 6⅛ 93	100	†100¾	101¼	+0⅛	+0⅛	5.98
Ind. Fd Finland 6¼ 91	40	†101¾	102¼	+0⅛	+0½	5.91
Int.-Am. Dev. Bk. 6 93	100	†100	100½	−0⅛	0	5.96
Ireland 6½ 93	80	†102½	103	+0⅛	+0⅛	6.11
Japan Dev. Bank 5⅞ 93	100	†102½	103	−0⅛	−0⅛	5.50
Jap. Highway P 5¾ 91	100	†101	101½	+0½	+0⅛	5.42
Kansai Elec Pwr 6 91	100	†102	102½	−0½	+0⅛	5.61
Manitoba Prov 5½ 93	100	†102	102½	+0⅛	+0⅛	5.20
Mont Blanc Tunl. 6⅞ 93	35	†103½	104	+0⅛	+0⅛	5.85
Mont. Isa Fin 6 93	100	†102¾	103¼	−0⅛	0	5.58
Mt. Bk. Denmark 6¼ 91	80	†101¾	102¼	+0⅛	+0⅛	5.91
New Brunswick 5¾ 93	100	†102⅛	102⅝	+0⅛	+0⅛	5.41
Nippon Tel. & T. 5¾ 93	100	†102¾	103¼	+0⅛	+0⅛	5.35
Nisshin Steel 6¼ 91	100	†101¼	101¾	+0⅛	+0⅛	5.99
Osterr. Post 6⅛ 91	100	†104¼	104¾	+0⅛	+1⅛	5.37
Quebec Province 5¾ 93	100	†100¾	101¼	−0⅛	−0⅛	5.49
Shikoku Elec. Pwr. 6 91	100	†102	102½	0	−0⅛	5.63
Soc. Lux. Cent. 5¾ 93	100	†99¾	100¼	+0⅛	+0⅛	5.75
Sumitomo Hvy. I. 6 91	100	†101	101½	+0⅛	+0⅛	5.79
Tokyo Elec. Pwr. 5⅞ 91	100	†103	103½	−0⅛	+0⅛	5.34
Trizec Corpn. 6⅛ 93	100	*101⅛	101½	−0⅛	−0⅛	5.93

Average price changes... On day +0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	107	107½	+0⅛	+0⅛	7.43
EIB 8¼ 92	15	103⅞	104⅜	0	+0⅛	7.58
Int.-Am. Dv. Bk. 7⅞ 93	15	102⅜	102⅞	−0⅛	+0⅛	7.48
New Zealand 7⅞ 89	15	104	104½	+0⅛	+0⅛	6.68
World Bank 7⅝ 93	20	102⅝	103⅛	0	+0⅛	7.18

Average price changes... On day 0 on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Br. Col. Hyd. 12 93 C$	125	97⅞	98⅜	+0⅛	+0⅛	12.32
Br. Col. Tel. 12⅛ 99 C$	70	98⅞	99⅜	+0⅛	+0⅛	12.32
EIB 12⅛ 91 C$	80	†98	98½	+0⅛	+0⅛	12.47
Loblaw 12½ 90 C$	35	†98¼	98¾	+0⅛	+0⅛	12.82
Montreal City 12 90 C$	50	†98¼	98¾	+0⅛	0	12.32
Royal Trstco. 12⅝ 88 C$	50	†101⅛	101⅝	0	+0⅛	12.19
World Bank 12¼ 90 C$	75	†101	101½	+0⅛	0	11.94
Cie Bancaire 11 90 ECU	37	99	99½	0	+0⅛	11.11
SDR Frnce. 11¾ 95 ECU	20	100¾	101¼	0	+0½	11.48
Algemene Bk. 8⅝ 88 Fl	150	102½	103	+0⅛	+0⅛	7.98
Amro Bank 8⅝ 88 Fl	100	102½	103	0	0	8.01
Bk. Mees Hope 9 88 Fl	75	102½	103	+0⅛	−0⅛	8.24
Ned. Mddnstbk. 9 88 Fl	100	102½	103	+0⅛	+0⅛	8.26
Rabobank 9 88 Fl	100	102⅝	103⅛	+0⅛	0	8.25
World Bank 9 88 Fl	100	102⅞	103⅜	+0⅛	+0⅛	8.13
OKB 14 86 FFr	400	101¾	102¼	+0⅛	+0⅛	12.88
Solvay et C. 14¾ 86 FFr	200	102½	103½	0	+0⅛	12.98
BFCE 11½ 88 £	50	100	100½	−0⅛	−0⅛	11.38
British Oxyg. 11¾ 91 £	50	100⅞	101⅞	+0⅛	+0⅛	11.49
CEPME 11¼ 96 £	35	104⅜	105⅜	−0⅛	−0⅛	10.48
Ciba-Geigy Int. 6¾ 93 £	25	102½	103½	+0⅛	+1⅛	6.32
Commerzbank 11½ 90 £	25	98⅞	99⅜	0	+0⅛	11.70
EEC 11⅞ 93 £	50	101⅛	101⅞	0	+0⅛	11.59
Fin. for Ind. 10½ 90 £	20	95⅜	95⅞	+0⅛	−0⅛	11.52
Finland Rep. 11⅞ 88 £	50	101¾	102½	+0⅛	+0⅛	11.22
Gen. Elec. Co. 12½ 89 £	50	†100¾	101½	−0⅛	−0⅛	12.18
Ill 10¾ 93 £	25	95½	96¼	+0⅛	0	11.45
Ill 11½ 91 WW £	50	†99¾	100¼	0	−0½	11.43
Int. Stand. El. 11¾ 89 £	50	98	98¾	+0⅛	0	11.57
Norsk Hydro 12 90 £	30	102⅞	103⅝	+0⅛	0	11.23
Sweden 11¼ 93 £	50	98⅛	98⅞	+0⅛	+0⅛	11.49
Sw. Ex. Cred. 11¼ 88 £	30	99⅛	99⅞	0	0	11.36
World Bank 11⅛ 88 £	100	99½	100¼	0	+0⅛	11.12
Eurofima 10 91 LuxFr	600	99	100	0	0	10.08
Europarat 10¾ 93 LuxFr	600	99⅞	100⅞	0	0	10.67

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5⅛ 95	0⅛	98⅝	99⅛	8/6	10.31	10.43
Banco di Roma 5¼ 90	0¼	100	100¼	7/6	10½	10.49
Belgium 5 2004	0⅛	99½	99¾	9/7	10.31	10.35
Bk. of New York 5¼ 96	§0⅛	99½	99¾	12/4	10.06	10.10
CCF 5¼ 95	0¼	100	100¼	7/4	9.94	9.93
CCF 5¼ 98	§0⅛	100	100¼	24/3	10.19	10.17
Credit Foncier 5⅛ 93	0¼	100⅛	100⅜	6/4	10	9.96
Credit Lyonnais 5¼ 96	0⅛	99½	99¾	18/7	10.19	10.24
Denmark 5⅛ 90	0⅛	99⅞	100⅛	13/4	10	10.00
Die Erste Oes. 5⅛ 92	0¼	98⅞	99⅜	27/7	10⅛	10.30
Dresdner F. 5¼ 93 XW	§0⅛	100⅛	100⅜	19/4	9.94	9.91
EAB Fin 5 93	§0⅛	100⅛	100⅜	20/6	10.69	10.66
EEC 5 90	0⅛	100⅛	100⅜	6/7	10⅜	10.36
Ext Int. 5¼ 96	0⅛	98⅝	98⅞	21/6	10.81	10.95
First Interstate 5¼ 95	§0⅛	99½	99¾	6/3	9.94	9.98
Fuji International 5¼ 96	§0⅛	99⅞	100	12/7	10⅛	10.26
Genfinance 5 94	0⅛	99⅞	100⅛	19/7	10⅛	10.13
GZB 5¼ 96	0⅛	99¾	100	29/6	10.19	10.20
Hispano 5⅛ 95	0⅛	98½	98¾	20/7	10	10.14
Nat. Bk. Canada 5¼ 91	§0⅛	†99	99¼	5/7	10.44	10.53
Quebec Hydro 5⅛ 94	0⅛	99¾	100	19/7	10⅛	10.14
Saitama Int. 5¼ 93	0⅛	100	100⅛	5/6	10.19	10.18
Societe Gen. 5⅛ 90 XW	0⅛	100	100¼	9/5	10.31	10.30
Sweden 5⅛ 2003	§0⅛	99⅞	100⅛	17/5	10.19	10.19

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
BBC Bwn. Boveri 4¼ 95	2/84	108	†101	102	+0½	−5.43
Bridgestone Tire 5½ 96	3/82	470	129½	131	+0½	3.29
Canon 7 97	7/82	680.2	243⅝	245⅝	−1⅛	−1.59
Daiwa Sec. Co. 5½ 98	10/83	481.8	†104½	106	+0½	0.08
Fanuc 3¾ 98	1/84	9142	136¾	137¾	−0⅛	4.36
Hitachi Cable 5¼ 96	2/82	515	123¾	124⅞	−0⅛	−2.32
Honda Motor 5¼ 98	6/83	884	125¼	126¼	+0⅛	3.39
Honda Motor 5½ 97	3/83	759.6	144	145½	+0⅞	1.39
Konishiroku Ph. 4 98	10/83	673	112⅝	113⅝	−0⅛	3.47
Kyowa Hakko 5⅛ 97	2/83	762	120½	122	−0⅛	6.67
Minebea Co 5½ 98	5/83	667	113	114	+0⅛	−0.27
Mitsubishi Elec. 5¼ 98	6/83	396	109⅝	110⅝	+0⅛	0.97
Mitsubishi Heavy 4¾ 98	1/84	253	101½	102½	−0⅛	3.66
Murata 3½ 99	2/84	2939	125¾	126¾	+2½	9.69
Nippon Oil Co. 5⅛ 98	4/83	964	111½	112½	−0⅛	5.85
Nissan Motor 5⅛ 98	4/83	700	108	109	−0⅛	−1.02
Olympus Optic. 6¼ 97	12/82	1157	113	114½	−1½	6.71
Orient Leasing 5¼ 98	6/83	2680	113	114	−3⅞	−10.70
Secom 5 98	11/83	2920	176½	177½	−1⅛	−3.27
Yamaichi Sec. Co. 5 98	8/83	449.5	102⅝	104⅛	−0⅞	−0.88
Yamanouchi Ph. 4 90	10/83	1808	103½	104½	+0⅞	30.18
Bridge Oil 4¾ 93 SwFr	3/84	3.43	†111	113	0	22.77
Nippon Air. 2¾ 94 SwFr	2/84	354*	†102	104	0	0.13
Toshiba 2¾ 94 SwFr	1/84	391*	†113½	115½	0	4.88
Asics 5 92 DM	12/83	520	115¾	117	+0⅛	18.12
Sum Realty 6¼ 92 DM	2/83	365	135¼	136¼	−0½	−4.54

EUROBOND TURNOVER
(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week	6,855.6	14,164.8
Previous week	5,454.8	11,066.2
Other bonds		
Last week	1,541.1	1,306.7
Previous week	1,644.0	1,144.9

* No information available—previous day's price.

† *Only one market maker* supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Blyth, Eastman, Paine, Webber International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Swiss Bank Corporation International; Wood Gundy.

Closing prices on February 3

UK COMPANY NEWS

Finnish group for London SE

Amer Group, Finnish tobacco to paper wholesaling company, intends to make a private placing of up to 20 per cent of its equity followed by a listing on the Stock Exchange in London.

The group, which, in common with many Finnish companies, has had only restricted shares until now, has decided to broaden its shareholding base with the issue of new free shares. These will be quoted on the Helsinki Stock Exchange as well as in London.

Turnover has risen from FM 364.4m (£44m in 1979) to an estimated FM 830m (£100m in 1983. Pre-tax profits are estimated to be FM 63m (£7.6m) in 1983.

Morgan Grenfell are acting as merchant bankers in London in conjunction with the Finnish bank Kansallis-Osake-Pankki.

Interim profit for G. Blair

On turnover £262,000 lower at £5.9m, George Blair, engineers and steel founders, achieved a trading profit of £190,000 for the six months ended October 1 1983 compared with a trading loss of £59,000.

Set against this is £12,000 (£27,000) for severance payments and £126,000 (£145,000) for interest charges. This leaves a pre-tax profit of £52,000 (loss £231,000).

FT Share Information

The following securities have been added to the Share Information Service:

Hemera (Section: Industrials).
High-Point Services Group (Industrials).
Mebon (Chemicals).
Nationwide Building Society 10¼pc Bds. 24/12/84 (Loans—Building Societies).
Palma Group (Textiles).
Public Service Electric & Gas Company (Americans).
Tongaat-Hulett Group (South Africans).

Farmer Stedall tops projection by 19%

Farmer Stedall, the unquoted industrial plant and machinery merchant, has turned in pre-tax profits of £238,221 for the 12 months ended October 31, 1983—its first full year of trading. This represents a 19 per cent increase over the figure indicated in the July, 1982 prospectus.

Sir David Nicholson, the chairman, says that due to the nature of the company's business it is not possible to forecast results for the current year. However, in spite of a quiet home market and with an encouraging level of overseas enquiries, the board is optimistic about the outcome of results for the coming year.

There is no dividend for the year — as stated in the prospectus, the board does not intend to recommend any dividend until the company has accumulated appropriate profits.

The board is however, proposing a five-for-one capitalisation issue, a scrip issue of warrants and a new share option scheme for directors and employees of the company.

Pro-forma interim figures showed profits of £352,000, but at that time it was explained that these figures took account of deliveries being made later in the year. During the second half, overheads would be increased through stock levels and higher rates charged in respect of the land and buildings at Speke.

The company ended the year with cash balances of £850,000, and since then stock levels have been increased in anticipation of further overseas orders in the current year.

Bright prospects for English China Clays

"WE HAVE a bright future," says Lord Aberconway in his last annual statement as chairman of English China Clays.

"Signs are at last appearing, albeit modestly, of the end of the recent long, intractable recession and with these better times our businesses will thrive," he says.

He anticipates that sales generally to the ceramic industry will slowly improve in the next year. Also, referring to the related companies in the clay division, he expects a "much improved" performance in the current year.

As regards to quarrying operations, he says that there is considerable tonnage on existing contracts and they should have another good year.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Hestair, Stocklake.

FUTURE DATES

Interims:

Elbief	Feb 16
Impala Platinum	Feb 13
London Shop Property Trust	Feb 9
Reliance Industrial	Feb 15
Second Alliance Trust	Feb 10

Finals:

Akzo	Mar 12
Alliance Trust	Mar 9
F. and C. Enterprise Trust	Feb 8
First Scottish American Trust	Feb 28
Ford (Martin)	Feb 8
General Consolidated Inv. Tst.	Feb 15
Macallan-Glenlivet	Mar 8
Mackay (Hugh)	Mar 21
Nottingham Manufacturing	Feb 13
Ozalid	Feb 7
Plastic Constructions	Feb 9
Reed Executive	Feb 15
Scottish Eastern Invest. Tst.	Feb 20
Securicor	Feb 15
Security Services	Feb 15
Sondrl. Telephones and Cables	Feb 20
Tribune Investment Trust	Feb 9
Vickers	Feb 27

Hawley lifts holdings in subsidiaries

Mr Michael Ashcroft's Hawley Group yesterday revealed that it has boosted its holdings in subsidiaries Electroprotective and Kean & Scott, funding the purchases by issuing 8.1m new Hawley shares worth just over £8m.

Hawley bought 2.19m shares in Electroprotective, lifting its holding from 50 per cent to 56.44 per cent. It bought 7.44m Kean & Scott shares, lifting its stake from 59 per cent to 67.55 per cent.

Norfolk Capital

Kennedy Brookes Finance, together with its associates, has purchased 1.25m ordinary shares of Norfolk Capital Group representing 6.59 per cent of the issued shares.

Of the total number of shares purchased, 150,000 are owned by the directors of Kennedy Brookes.

Berkeley Exp.

Bristol Production Services, a wholly owned subsidiary of Bristol Oil and Minerals, has acquired 1,075,000 ordinary shares (10.53 per cent) in Berkeley Exploration.

Life companies

Mr James M. Souness, the managing director of Life Association of Scotland and Merchant Investors Assurance Company, has pointed out that, contrary to reports in the press, there is no plan to integrate the activities of the two companies.

He says it has been decided that each of the two life companies will operate under its own general manager, while the desired strategic direction will be achieved by the appointment of a managing director common to both companies.

SelecTV moves to reinforce finances

FINANCES remain strong at SelecTV with some £1m on deposit. But to reinforce the position the directors of this Milton Keynes based subscription television operator have carried out measures to cut costs "immediately and significantly." Operating expenses have been reduced in a number of areas.

The small Tredegar service was closed in mid-January, and the company is discussing with British Telecom a change in the contractural relationship at Milton Keynes. If successful this will provide a significant reduction in operating costs, provide the company with some management income, and lead to the recovery of some of the past capital expenditure.

Reporting for the half year ended September 30, 1983 the directors state that turnover of this USM company remained at £97,000, and the loss moved up from £210,000 to £277,000. While the company is investing so heavily in the future, the losses are likely to persist, they warn. But the measures in hand demonstrate their determination that the company "should remain prominent in the rapidly developing cable television and communications industry."

Last November the company failed to obtain a Government pilot licence for the expansion of cable systems, but later this year it will participate in the next round of applications which will be made to the new cable authority.

As agent for Telease of the U.S., the company has secured a letter of intent from a Swiss company to buy 25,000 MAAST decoders and supporting technology. If completed, the profit therefrom will make a "valuable contribution" to the revenue account.

Coghlans pays 30 months pref. dividend arrears

Some dividend arrears are being paid by Coghlans. On February 29 holders of the 8 per cent gross cumulative preference shares will receive payment covering the 30 months ended March 31 1983.

For the financial year ended July 31 1983 the company reports an attributable profit of £72,000, compared with a loss of £614,000.

At the end of 1982 Coghlans sold its bright steel business, and used the proceeds to repay bank borrowings. The directors decided to follow a policy of developing the business of handling and storage of haulage containers; they asked for suspension of the listing of the company's shares, and said they would not seek a re-listing until further progress had been made with the development.

Turnover for 1982-83 came to £93,000 (£3.41m). The loss was £47,000 (£121,000) subject to tax £3,000 (nil), for a per share figure of 36p (50p). From the loss is deducted £129,000 extraordinary credits, compared with £493,000 debits last time.

The extraordinary credit takes into account adjustment from provisions made in 1982 for losses from closures, and an estimated £100,000 repayable to the group following the closure of the pension fund.

SHARE STAKES

Elson and Robbins—Barclays nominees (M and G Group) has disposed of 100,000 ordinary shares reducing holding to 532,500 Ordinary shares (5.38 per cent).

Lawrie Group—Assam-Dooars Holdings has acquired a further 26,000 shares (1.05 per cent) and now holds 255,952 ordinary (10.06 per cent).

Gill and Duffus—As a result of recent sales the interest of the Prudential Corp group of companies in the issued ordinary is now 3,906,672 (5.93 per cent).

Davenports Brewery — Britannic Assurance interests in the ordinary are: Britannic Assurance 75,000 shares, Britannic Superannuation Fund nominees 42,500 shares, making 792,500 shares. Notification is as a consequence of the sale by the Midland Trust of 130,000 ordinary.

Usher Walker — Amanders (Holdings) is interested in 212,800 ordinary (10 per cent).

Highland Distillers — As a result of recent purchases of shares, Prudential Corporation holds 3,119,252 ordinary (5.07 per cent).

Rights and Issues Investment Trust — Energy Finance and General Trust has disposed of 443,099 capital shares, 440,000 of which have been purchased by the partners and certain clients of Green and Co. Stockbroker to the Co. Of these, 120,000 shares have been purchased by S. H. J. A. Knott, a director of Rights and Issues, and 120,000 (7½ per cent) by discretionary unit fund.

Leeds Group—R. D. Wade has sold 5,324 ordinary shares at 128p and now holds 393,062 shares (6.3 per cent). R. C. Holroyd has sold 26,000 ordinary shares at 126p and now holds 294,360 shares (4.7 per cent).

FINANCIAL TIMES STOCK INDICES

	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 27	1983/84 High	1983/84 Low	Since Compilatn High	Since Compilatn Low
Government Secs.	83.21	83.06	82.98	83.02	83.08	82.75	83.77	77.00	127.4	49.18
Fixed interest	87.26	87.17	87.11	87.41	87.47	87.43	87.47	79.03	150.4	50.53
Industrial Ord	832.4	824.1	829.2	831.4	832.2	839.5	840.5	598.4	840.5	49.4
Gold Mines	597.7	585.5	570.2	543.8	534.3	531.5	734.7	444.6	734.7	43.5
FT-Act. All-Share	500.48	495.83	500.51	501.36	504.11	504.73	504.73	382.22	504.73	61.92

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
§58	F.P.	9/3	80	73	✠Assoc.Energy Ser.5p	75	+2	b1.0	3.9	1.9	15.4
¶435	F.P.	10/2	458	393	Brit. Petroleum	445	+5	20.25	1.9	6.5	12.4
¶275	100	2/3	143	96	Cable & Wireless 50p	143	+6	h5.47	3.5	5.5	6.2
‖ ‖	F.P.	—	95	88	✠Circaprint Hldgs 10p	90	+2	u0.7	7.7	1.1	12.6
‖ ‖	F.P.	—	255	215	✠Gibbs Mew	215	....	4.65	1.6	5.1	28.1
§91	F.P.	24/2	98	94	✠Grosvenor Sq. Pp. 10p	97	....	b5.0	2.3	7.4	7.2
§185	F.P.	25/1	240	215	✠Moray F. Malt'gs 50p	227	....	b7.0	2.7	4.4	9.3
¶ ¶	F.P.	—	74	60	Stockley 10p	71	....	—	—	—	—
100	F.P.	27/1	95	85	✠Synterials 10p	88	....	—	—	—	—
§105	F.P.	—	114	111	✠Unibond	112	....	b2.8	2.2	3.6	18.0
¶130	F.P.	17/2	177	131	V C Instruments 10p	168	....	b14	5.6	1.2	21.6
§110	F.P.	2/3	166	140	✠Valin Pollen Int'l. 5p	155	....	1.6	3.1	1.5	31.6
§10	F.P.	31/1	19	16	✠Welpac 10p	18	....	bg0.2	4.1	1.6	13.4

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
¶ ¶	F.P.	—	135	120	Allied Textile 10% Cnv. Uns. Ln. 1993	130	....
¶ ¶	F.P.	—	106	106	Atlanta Inv.Tst. 7% Cnv. Red. Cum. Prf.	106	....
¶ ¶	F.P.	—	102¼	101	BAT Inds. 12¼% Uns. Ln. 2003-08	102¼	+½
¶ ¶	F.P.	—	99¾	98½	Do. Fltg. Rate Cap. Nts. 1986/90	99¾	....
99.15	£25	22/3	27	24¾	Elf (U.K.) 12¼% Uns. Ln. '91	27	+⅛
99.714	£30	26/4	33⅞	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	32½	+¼
100	F.P.	—	100½	99	Kensington & Chelsea 11.15% Red. 2006	100¼	+¼
‖	£30	10/11	48	30½	Lon. Shop Prop. 9pc Cnv. 94/99 Ser II.	44	−1
§95.711	£25	15/6	25⅛	24½	MEPC 10⅝pc 1st. Mort. Deb. 2024	25⅛	+⅛
—	F.P.	—	100⅛	100	Nationwide 10¼% Bds. 28-1.85	100⅛	....
¶ ¶	F.P.	—	30p	28½p	Palma Group 5½%Cum. Prf. £1	30p	....
99.44	£25	13/4	27¾	25¼	Queens Moat 12% 1st Mort. Deb. 2013	27¼	+⅛
100	F.P.	—	99¾	99⅝	Rochdale Met. Bor. 11.10% Red. 2006	99¾	....
¶ ¶	F.P.	30/3	102½	101¾	Slough Ests. 12⅝% Uns. Ln. 2009	102½	−⅛
99.093	£30	21/3	32	29¾	Spain 12% Ln. 1988	32	....

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −
300	Nil	17/2	436	400	Carlton Communications 5p	425	....
92	F.P.	10/2	152	113	Charterhouse Pet.	146	−1
R28.20	Nil	17/2	409	160	East Dagga Linked Units	398	−10
160	F.P.	3/2	208	196	Ellis & Everard	204	....
32	F.P.	24/2	47	35	Herman Smith 10p	43	....
32	F.P.	6/3	37	34½	Jones (Edward) 10p	37	....
30	F.P.	9/3	58	49	Meggitt 5p	51	....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ▣ Allotment letters (or fully-paid). ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year		Date	Announcement last year
Ault and Wiborg	Mar 4	Final 0.5	Lasmo	Mar 10	Final 6.5
BCA	Mar 17	Interim 2.0	*Lonrho	Feb 9	Final 5.0
*BICC	Mar 21	Final 7.04	Marchwiel	Feb 21	Final 4.8
BL	Mar 18	Final nil	Marley	Feb 23	Final 1.5
BP	Mar 17	Final 14.0	Midland Bank	Mar 10	Final 17.5
BPM	Feb 25	Interim 1.581	Mills and Allen Int.	Mar 14	Interim 4.0
BTR	Mar 16	Final 5.25	Mitchell Cotts	Mar 3	Interim 1.5
*Barclays Bank	Mar 5	Final 11.0	*NatWest	Mar 6	Final 18.4
Barratt Developts	Mar 14	Interim 4.2	News Intl	Mar 3	Interim 3.499
*Bath and Portland	Feb 22	Final 3.5	*Nottingham Manufctg	Feb 13	Final 3.9
Bejam	Mar 17	Interim 1.5	Provident Financial	Mar 8	Final 5.58
Bibby (J.)	Mar 10	Final 5.15	Ransomes Sims and Jefferies	Mar 9	Final 8.86
Bio-Isolates	Feb 14	Final nil	Rentokil	Mar 17	Final 2.05
*Birmid Qualcast	Feb 15	Final 0.9	Rowntree Mackintosh	Mar 16	Final 5.9
Boddingtons' Brews	Mar 10	Final 2.25	Royal Dutch Petroleum	Mar 10	Final Fl 4.65
British Vita	Mar 8	Final 2.7	*Royal Insce	Mar 1	Final 16.5
Brooke Bond	Mar 15	Interim 1.25	*Securicor	Feb 15	Final 1.23
Cadbury Schweppes	Mar 10	Final 3.5	Sedgwick	Mar 10	Final 4.5
Cement Roadstone	Mar 15	Final 3.56	Shell Transport	Mar 10	Final 12.6
Comm Union	Feb 22	Final 6.95	Sime Darby	Mar 5	Interim 4 sen
Cons Gold Fields	Mar 9	Interim 8.5	*Smith (W. H.)	Feb 15	Interim due
Cons Plants	Mar 5	Interim 5 sen	*Stand Telephone and Cables	Feb 20	Final 4.0
Dalgety	Feb 15	Interim 11.0	Steetley	Mar 17	Final 3.0
De Beers	Mar 15	Final 25c	TI	Mar 17	Final 5.0
Eastern Produce	Mar 14	Final 3.5	Telefusion	Feb 24	Interim 0.82
Fisons	Mar 1	Final 7.5	Transport Developmt	Mar 14	Final 3.0
*Fleet Hldgs	Feb 14	Interim 0.75	Turner and Newall	Mar 16	Final nil
General Accident	Mar 2	Final 8.5	Ultramar	Mar 10	Final 9.5
General Mining	Mar 10	Final 120c	Unilever	Mar 1	Final 18.87
*Gold Flds SA	Feb 7	Interim 180c	Unilever NV	Mar 1	Final Fl 14.56
Grindlays	Mar 1	Final 4.464	Utd Biscuits	Mar 17	Final 3.55
GKN	Mar 17	Final 4.0	*Vantona Viyella	Feb 7	Final due
*HK Shanghai Bank	Mar 13	Final HK$0.37	*Vickers	Feb 27	Final 3.45
Hoover	Feb 17	Final nil	Wolseley-Hughes	Mar 16	Interim 5.08
Horizon Travel	Mar 17	Final 2.8			
*ICI	Feb 23	Final 10.0			
*Imperial Group	Feb 9	Final 4.5			
*Lloyds Bank	Mar 9	Final 14.66			

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

Over-the-Counter Market

Capitalisatn. £000's	Company	Price	Change on week	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
5,596	Ass. Brit. Ind. Ord.	125	—	6.4	5.1	7.3	9.5
—	Ass. Brit. Ind. CULS	139	—	10.0	7.3	—	—
4,341	Airsprung Group	75	—	6.1	8.1	21.4	21.4
675	Armitage & Rhodes	27	—	—	—	—	—
38,400	Bardon Hill	309	+6	7.2	2.3	12.6	25.6
3,135	Bray Technologies	57	+1	2.7	4.7	10.4	11.1
2,527	CCL Ordinary	197	—	5.0	2.5	4.5	6.3
—	CCL 11pc Conv. Pref.	147	—	15.7	10.7	—	—
1,707	Carborundum Abrasives	285	+65	5.7	2.0	—	—
1,628	Cindico Group	103	—	17.6	17.0	—	—
3,987	Deborah Services	51	—	6.0	11.8	27.3	44.3
12,867	Frank Horsell	198	+1	—	—	8.2	13.7
—	Frank Horsell Pr Ord 87	185	+1	8.7	4.7	7.7	12.3
5,200	Frederick Parker	36	—	7.1	19.7	2.3	3.6
627	George Blair	34	+1	—	—	—	—
1,868	Ind. Precision Castings	46	—	7.3	15.9	12.7	15.9
5,904	Isis Conv. Pref.	246	+4	17.1	7.0	—	—
5,920	Jackson Group	117	+1	4.5	3.8	6.1	12.0
33,400	James Burrough	242	+2	11.4	4.7	13.4	13.8
9,234	Minihouse Holding NV	342	+2	4.0	1.2	25.7	31.4
1,375	Robert Jenkins	110	−3	20.0	18.2	12.8	8.6
3,000	Scruttons "A"	60	—	5.7	9.5	10.0	7.2
1,635	Torday & Carlisle	67	−2	2.9	4.3	—	—
1,994	Trevian Holdings	440	+2	—	—	9.0	8.2
2,826	Unilock Holdings	18	—	1.0	5.5	11.8	17.1
10,964	Walter Alexander	86	−1	6.8	7.9	7.5	10.0
5,578	W. S. Yeates	239	—	17.1	7.2	3.7	7.6

Closing prices February 3

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19	9½	AAR	.44	2.3	23	851	19	18¾	19	
52⅞	35½	ACF	1.40	3.2	209	230	44¼	43½	43⅞	-⅝
22	15⅛	AMCA	n			1	19⅛	19⅛	19⅛	-⅛
19⅞	14⅝	AMF	.50	3.1		1123	16⅛	15⅞	15⅞	
41¼	20⅞	AMR Cp			15	4820	35	32⅞	33½	-1½
19⅞	16⅞	AMR	pf2.18	11		251	u20⅛	19⅞	20⅛	+½
41⅞	24⅞	AMR	pf2.13	6.1		80	36½	34½	34⅞	-1⅝
26¼	23⅞	ANR	pf2.67	11		3	24⅝	24⅝	24⅝	
16¼	3½	APL			19	43	13	12⅝	12⅝	-⅜
55¼	34¾	ARA	2.05	4.1	11	70	50½	49½	49¾	-¾
75¼	50¼	ASA	.30	4.9		1197	61⅝	60⅞	61⅛	-⅜
33¼	14⅝	AVX	s .32	1.3	37	435	26¼	24⅝	24⅝	-⅝
53⅞	36¼	AbtLab	1	2.2	15	2705	46¼	45⅜	45⅝	-¾
30⅞	23¾	AccoW	n .60	2.2	18	189	27½	27	27¼	+⅛
27½	17⅞	AcmeC	.40	1.6		82	25⅝	24⅞	25⅛	+⅛
14⅞	9½	AcmeE	.32b	2.5	80	33	12⅞	12½	12⅞	-⅛
24⅞	8⅝	AdmDg	.04	.3	11	78	14¼	13⅝	13⅞	-⅛
19¾	15	AdaEx	2.11e	13		37	16⅝	16⅜	16½	-⅛
19¾	7⅛	AdmMl	.24	1.4	8	65	17	16⅞	16⅞	
18⅝	9¼	Advest	.12	1.1	9	214	11	10⅝	10⅝	-⅜
37½	15½	AMD	s		35	5161	29½	28	28½	-⅝
24⅝	13½	Aerflx	s		15	56	15½	14⅞	15⅛	+⅛
43½	32⅞	AetnLf	2.64	7.6	9	1676	35⅛	34¼	34⅝	-⅜
65	56¼	AetL	pf5.09e	9.0		207	56¾	56½	56½	-¼
40½	24	Ahmns	1.20	3.8	8	82	32¼	31⅞	31⅞	-⅛
7½	3	Aileen				77	4½	4⅛	4⅛	-⅛
51	38¼	AirPrd	1	2.2	12	1327	45	44⅝	44⅝	-⅛

Continued on Page 19

هكذا من الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices February 3

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 20

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 18

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
30⅝	19¼	Watkn	wi			1	22½	22½	22½	
15⅝	9½	WayGos	20	1.5	21	9	13½	13½	13½	−¼
10⅞	4⅞	WeanU				23	9⅛	9	9	−⅛
25	10⅝	WebbD			40	514	20⅝	19¼	19¼	−⅞

Continued on Page 20

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

Indices

NEW YORK

DOW JONES

	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 27	1983-84 High	1983-84 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	1197.03	1213.88	1212.81	1220.58	1221.52	1230.00	1287.20 (29/11)	1027.04 (3/1/83)	1287.20 (29/11/83)	41.22 (2/7/32)
H'me Bnds	71.67	71.62	71.45	71.38	71.39	71.25	77.84 (6/5)	60.85 (8/8)	—	—
Transport	535.37	555.42	560.50	564.69	562.18	567.15	612.65 (9/1/84)	464.24 (3/1/83)	612.66 (9/1/84)	12.32 (8/7/32)
Utilities	131.89	132.90	132.85	132.76	132.71	132.66	140.70 (31/10)	119.51 (3/1/83)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	109,100	111,330	107,100	115,518	103,129	103,72	—	—	—	—

● Day's high 1226.55 (1223.93) low 1192.00 (1198.49)

	Jan. 27	Jan. 20	Jan. 13	Year ago (approx)
Industrial div. yield %	4.43	4.33	4.29	5.08

STANDARD AND POORS

	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 30	Jan. 27	1983-84 High	1983-84 Low	Since Comilt'n High	Since Comilt'n Low
Industr'ls	180.93	185.67	185.08	185.90	185.34	184.60	194.84 (10/10)	154.95 (3/1/83)	194.84 (10/10/83)	3.62 (30/6/32)
Comp's'te	160.91	163.36	162.74	163.41	162.87	163.94	172.65 (10/10)	138.34 (3/1/83)	172.65 (10/10/83)	4.40 (1/6/32)

	Feb. 1	Jan. 25	Jan. 18	Year ago (approx)
Industrial div. yield %	3.85	3.76	3.69	4.45
Industrial P/E ratio	13.28	13.49	13.70	11.18
Long Gov. Bond yield	11.57	11.54	11.51	10.93

N.Y.S.E. ALL COMMON

Feb. 3	Feb. 2	Feb. 1	Jan. 31	1983-84 High	1983-84 Low
92.98	94.28	93.93	94.32	99.63 (10/10)	80.92 (24/1/83)

Rises and Falls

	Feb. 3	Feb. 2	Feb. 1
Issues Traded	1,989	1,983	1,976
Rises	538	851	631
Falls	1,089	743	951
Unchanged	362	389	394
New Highs	17	18	20
New Lows	39	31	25

MONTREAL

	Feb. 3	Feb. 2	Feb. 1	Jan. 31	1983-84 High	1983-84 Low
Industrial	426.12	428.85	428.62	428.75	488.90 (26/9)	331.18 (4/1/83)
Combined	412.11	413.85	413.65	414.28	441.28 (26/9)	326.12 (4/1/83)
TORONTO Composite	2455.6	2471.4	2466.7	2469.8	2598.2 (26/9)	1549.8 (4/1/83)

	Feb. 3	Feb. 2	Feb. 1	Jan. 31	1983/84 High	1983/84 Low
AUSTRALIA						
All Ord. (1/1/80)	776.8	787.4	785.7	785.9	787.9 (9/1/84)	487.8 (4/1/83)
Metals & Mins. (1/1/80)	547.2	530.5	524.2	520.5	614.2 (5/9)	411.8 (4/1/83)
AUSTRIA						
Credit Aktien (2/1/62)	55.48	55.42	55.47	55.62	59.8 (5/5)	48.48 (15/2/83)
BELGIUM						
Belgian SE (31/12/63)	148.36	147.20	148.23	148.02	148.28 (1/2/84)	100.50 (4/1/83)
DENMARK						
Copenhagen SE (3/1/83)	222.47	221.49	220.49	215.05	225.21 (20/1/84)	100.00 (3/1/83)
FRANCE						
CAC General (31/12/82)	168.1	168.2	170.1	170.4	175.1 (25/1/84)	96.1 (3/1/83)
Ind Tendance (30/12/83)	109.4	110.6	111.0	110.8	114.7 (25/1/84)	98.4 (3/1/84)
GERMANY						
FAZ-Aktien (31/12/58)	370.28	370.84	369.75	365.14	370.84 (2/2/84)	241.89 (25/1/83)
Commerzbank (1/12/53)	1094.5	1096.5	1093.8	1079.8	1098.5 (2/2/84)	727.9 (25/1/83)
HONG KONG						
Hang Seng Bank (31/7/64)	(c)	(c)	1108.54	1102.58	1108.54 (1/2/84)	690.06 (4/10)
ITALY						
Banca Comm Ital. (1972)	229.14	227.21	229.57	225.41	229.57 (1/2/84)	169.45 (10/1/83)
JAPAN**						
Nikkei-Dow (16/5/49)	10184.1	10156.3	10200.8	10196.1	10285.7 (30/1/84)	7885.18 (25/1/83)
Tokyo SE New (4/1/68)	775.85	775.88	779.82	777.04	779.82 (1/2/84)	574.51 (25/1/83)
NETHERLANDS						
ANP-CBS General (1970)	174.6	174.5	178.9	178.6	178.9 (1/2/84)	100.1 (4/1/83)
ANP-CBS Indust (1970)	144.1	144.5	147.2	145.4	147.2 (1/2/84)	85.5 (4/1/83)
NORWAY						
Oslo SE (4/1/83)	242.67	246.57	247.85	247.52	247.85 (1/2/84)	99.01 (4/1/83)
SINGAPORE						
Straits Times (1966)	(c)	(c)	(c)	1071.01	1071.01 (31/1/84)	712.28 (5/1/83)
SOUTH AFRICA						
Gold (1958)	873.0	894.4	867.0	829.5	1099.5 (1/2/83)	661.4 (1/11)
Industrial (1958)	989.8	972.1	970.0	967.7	1009.4 (9/1/84)	704.9 (3/1/83)
SPAIN						
Madrid SE (30/12/83)	108.59	108.59	108.75	109.19	109.32 (27/1/84)	100.00 (30/12/83)
SWEDEN						
Jacobson & P. (1/1/58)	1594.5	1579.12	1567.29	1552.88	1594.5 (3/2/84)	898.18 (3/1/83)
SWITZERLAND						
SwissBankC pn.(31/12/58)	376.4	375.1	377.0	378.3	388.7 (6/1/84)	294.4 (4/1/83)
WORLD						
Capital Intl. (1/1/70)	—	185.6	184.9	185.0	187.2 (20/1/84)	154.3 (3/1/83)

** Saturday January 28: Japan Nikkei-Dow 10,206.5. TSE 778.32.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
A T & T New	3,020,900	17	−1/8
Exxon	1,719,700	39 1/4	−1/4
Gulf Oil	1,597,800	55 1/2	−1 3/8
A T & T Old	1,581,500	65 3/8	−1/2
IBM	1,488,000	110 1/4 xd	−3 3/8
Merrill Lynch	1,386,900	27 7/8	−3
Texaco	1,312,700	40 7/8	+1 1/4
General Motors	1,243,300	70 1/4	−2 3/8
Pfizer	1,237,400	37 3/4	−1/4
Chrysler	1,202,300	29 3/8	−2 1/8

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 19

[illegible]

NEW YORK PRICES

Continued from Page 19

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

CANADA

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

AUSTRALIA

[illegible]

SINGAPORE

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

SOUTH AFRICA

[illegible]

SPAIN

[illegible]

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

THE WEEK IN THE COURTS

When rights are sacrificed for expediency

CONVENIENCE and justice, a famous law lord once proclaimed, are often not on speaking terms. Yet English judges, not infrequently, allow fundamental rights to be sacrificed on the altar of expediency. The decision of the Court of Appeal (Criminal Division) in *R v Heston-Francois* last week is unhappily an example of practical considerations relating to a criminal trial triumphing over the accused's right to complete protection of legally privileged documents.

In July 1981, the accused was on bail awaiting his trial on charges of burglary from a jewellery manufacturer in North London. Unconnected with those proceedings, two police officers from another division of the Metropolitan Police went one morning to the accused's house in South London with a warrant to search his home. In the course of their search, they came across files relating solely to the preparation of the accused's defence for his forthcoming trial.

The documents were passed to the officers involved in the prosecution, despite the fact that the accused had protested at the seizure and removal of documents that were acknowledged by the police as subject to legal privilege.

The Court of Appeal acknowledged that the unlawful and unjustified seizure and removal of an accused's documents prepared for his defence should not occur. Police officers are bound to regard such documents, even if they have been lawfully seized, as entitled to protection so that an accused's right to silence is preserved.

For 20 years the courts have been declaring that they always possess residual discretion to prevent anything done by a prosecutor or the police in the course of criminal investigation which savours of an abuse. If a police officer removes legally privileged documents from the owner without his consent he can justify his action only if he can demonstrate that he reasonably suspected that the documents contained evidence of the commission of a crime. Short of establishing that, there is a clear breach of a fundamental right of the owner to keep his documents to himself. How, then, did the Court of Appeal override such an important principle of the law?

They relied on an argument that if accused persons were able to get a prosecution halted unfortunate consequences would ensue. First, it was said that the courts ought not to be used to discipline the police: there were disciplinary powers if the police overstepped the mark.

It is little comfort for the accused if the only consequence of a breach of a fundamental principle of process is that the police officers might subsequently be dealt with for their misdeeds. The courts are there to ensure fairness between prosecutor and the citizen and, if unfairness is perpetrated, the courts must step in and prevent it by not allowing the unfairness to persist.

Then, it was said, the public and the victims of crime have an interest in seeing the guilty being prosecuted to conviction.

The interests of the public, however, are not to convict the guilty at all costs. Every criminal trial is a balancing of the public interest to deal effectively with crime and the rights of the individual to be protected against oppressive action by those entrusted with the duty of enforcing the law.

An extension of that point was that if the court had to inquire into the misdeeds of the police, even before the trial began, the process would be open to abuse by unscrupulous and dishonest accused persons, and the criminal trial system would be placed in jeopardy.

That would appear to indicate the inability of the court to control its own procedure. It would be only the rare case where on the face of it something had gone so severely wrong with the conduct of the prosecution that the court would entertain any application to stop the trial.

There have been a few instances in the reported cases in the law books. One recent example was a case where a person was returned from a foreign country under the guise of deportation to circumvent the elaborate procedure for extradition. The High Court ordered the magistrates' court to stop criminal proceedings launched against the person as soon as he set foot in this country. Likewise, the police were ordered to drop the charges. But those cases are declared, after last week's ruling, to be exceptions that ought not to be extended.

Finally, it was said that the police had not been shown to have made use of the documents at the trial to defeat any defence. The fact that the police have the opportunity of delving into the accused's material in preparation for trial is itself such a breach of a fundamental right that it is unnecessary to show that some positive use was made of the material.

In any event it will often be impossible to demonstrate that the sight of the accused's papers helped the prosecution. Prosecuting counsel may have desisted from a line of cross-examination because he had accurately anticipated a satisfactory answer.

How is it possible to demonstrate that he had adopted that strategy as a result of information he has received from those instructing him who had a sight of the legally privileged documents of the accused? If the prosecution have unlawfully and unjustifiably seized an accused's privileged documents, the court ought to conclude simply that the potential use of the contents is enough for them to conclude unfairness in the legal process.

It is the absence of a written constitution that leads English courts to rely on tradition and specific legislation rather than look to fundamentally guaranteed rights. English judges prefer, in the absence of compelling principles, to look at the practical consequences of alleged infringement of human rights. The trouble is that the ultimate product is disorganised pragmatism.

Justinian

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co Canada	9 %
CL Bank Nederland	9 %	■ J Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered ‖	9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 6%. Fixed rate 12 months £2,500 9% £25,000 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%. £10,000 up to £50,000 6½%. £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

'Split BR into private groups'

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

A SYSTEM of private railway operators working under franchise from a small national regulatory office, like the Independent Broadcasting Association, is advocated in a Bow Group pamphlet published today.

Norman Blackwell, the author, argues that splitting British Rail into autonomous private enterprises would "give free enterprise a chance to make a go of this wasting national asset."

The plan would be to split BR into a single national track authority, which would retain the right of way, signalling, line maintenance, and the capital assets; franchised Inter-City operators, running services along exclusive routes based on regional networks from London; local commuter service operators, with exclusive franchises in specified areas; and one or more competitive national franchises for freight operators.

The author admits that some franchises would not be viable financially and would need pre-set subsidy levels built in. He believes, however, that "more cost-conscious and commercially-minded management may well bring currently loss-making routes into profit — as, for example, British Midland Airways has entered into competition with British Airways on domestic flights."

He lists the advantages of splitting BR as: restoring pride in local service levels; creating entrepreneurial incentives to try out new marketing and commercial approaches; increasing productivity through cutting out many of BR's overheads; freedom from trade unions "with their negative attitudes to new technology and flexible manning."

**Franchising Britain's Railways: A Free Enterprise Approach to improving productivity and service*, by Norman Blackwell, Bow Group, 240 High Holborn, London WC 1V 7DT, £2.00.*

Halfpenny appeal by conservation group

CONSERVATION GROUP Friends of the Earth launched a national waste-saver scheme for the halfpenny coin yesterday. Supporters are being asked to save the coins before they go out of circulation and send them to the FoE's London office.

The halfpennies collected will be returned to the Royal Mint in Wales for melting and re-use. FoE aims to save 1m halfpenny coins, equivalent to 1,780 kilograms of coinage bronze.

CONSTRUCTION CONTRACTS

M42 job for R. M. Douglas

The Department of Transport has awarded R. M. DOUGLAS CONSTRUCTION the £13.73m M42 Bromsgrove section-Lickey End contract. The contract, which is due for completion in 24 months, comprises a 6.9 km (4.3 miles) section of three-lane motorway running westwards from the M42 junction near Alvechurch (Warwicks) to a new grade separated junction with the A38 at Lickey End. The latter junction, which forms part of Douglas's contract, is due for early phased completion. Included in the work are 13 bridges with associated retaining walls. At one point a 350 metre section of the Birmingham and Worcester canal will be straightened and diverted under one of the motorway bridges. Other bridges will span two railway lines and the River Arrow near Alvechurch. The road will be of flexible construction and will incorporate 750,000 tonnes of imported stone.

*

A £5.5m contract for construction of the first phase of an industrial development in Watford has been awarded to TAYLOR WOODROW CONSTRUCTION by Standard Life Assurance Company. Taylor Woodrow is already undertaking road and other infrastructure works on the site and is now building five blocks with integral office areas, to provide 12,500 sq metres. Included will be an estate management office for the whole development, which is called the Croxley Centre. Completion of the first phase is scheduled for December. The industrial units will have concrete ground floor slabs with steel frames supporting aluminium external cladding and roofing. Office areas will be clad with curtain walling.

*

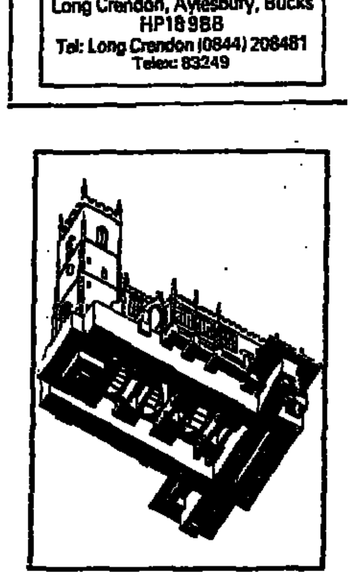
TAYLOR WOODROW CONSTRUCTION (SCOTLAND) has received a contract worth £220,000 from Scottish Metropolitan Property for the general refurbishment and restoration of a three-storey office building at 20, Blythswood Square, Glasgow. Work will include new mechanical and electrical installations.

*

Work valued at £5.5m has been secured by GEORGE DEW, Oldham. The contracts include construction of an underline bridge for British Rail at St Neots, Beds (£1.9m) and a refuse handling plant for Greater Manchester Council at Bury, Lancs (£1m). At Widnes, the company is undertaking the first £1m phase of a land reclamation programme for Cheshire County Council and at Rosyth it has been awarded a £500,000 contract for building work at HM Dockyard. The balance is made up of civil engineering and building work for a mix of private and public sector clients including Clayton Aniline, British Waterways, The Department of Transport and Greater Manchester Council.

*

HUNTING GATE has won three contracts worth over £4m. These include a project at more than £3m for Hambro Life Assurance on the second phase of the redevelopment of the former Pasold Site in Langley, Berks. The scheme involves design, construction and refurbishment of over 100,000 sq ft of buildings, to be phased over a 72-week programme. Work has also commenced on an industrial development for Tipacre, part of the Wingate Property Fund Investment Group, costing £500,000. The third project involves fitting out a 30,000 sq ft industrial unit in St Albans Road, Watford, to provide an environmentally-controlled electronics facility for Graseby Dynamics, part of the Cambridge Electronics Industries Group. Valued at about £500,000, it is due for completion in 20 weeks.



An unusual £800,000 contract to underpin and reconstruct a church has been awarded to MOWLEM NORTHERN. The drawing shows the underpinning, to be completed by June, 1985. The Church of St Wilfrid at Hickleton, near Barnsley, dates from Saxon times. The earlist feature is the Norman chancel arch, with the majority dating from the 15th century. Early this century, mine workings exacerbated a geological fault, causing subsidence in the churchyard. The church was propped and shored but the ground movement has continued, wrenching and in places tearing the fabric. A grid of pre-stressed and post-tensioned beams will be inserted which will underpin the tower, the perimeter walls and the internal arcades. This will transfer the weight of the building to three points. These will be metal tripods that have multi-directional movement

Balfour Beatty wins work worth £7m

BALFOUR BEATTY CONSTRUCTION has been awarded contracts worth £7m: A £4.3m extension to existing premises at Hyde, Cheshire, for Senior Service, a subsidiary of Gallaher. Work comences on February 6 with a 97-week construction period; A British Airports Authority contract, valued at £1.55m, for the construction of an elevated forecourt at Gatwick Airport's new North Terminal. The contract commenced on January 23 with a 40 week construction period; A £987,000 contract for sub-structure work as part of the Billingsgate Redevelopment scheme being undertaken by Taylor Woodrow Management Contracting. Work comenced on January 23 to be completed in two phases of 12 and 18 weeks; the construction of steel screens on bored pile foundations adjacent to railway tracks at Kings Langley Station, being part of the M25 motorway construction period. The contract, valued at £95,400, was placed by the Departments of the Environment and Transport and commenced on January 9 with a construction period of three months. Balfour Beatty is a member of the BICC Group.

*

McLAUGHLIN & HARVEY has won contracts amounting to £6m in Northern Ireland. The largest, worth £4.5m, has been awarded by the Property Services Agency. This three year project is for maintenance of several PSA properties. At Londonderry, McLaughlin & Harvey will undertake the development of an office and shipping complex on behalf of the Anglia Building Society; a bus station, service garage and office is to be built for Ulsterbus at Dungannon; re-roofing of a multi-storey block of flats will be carried out at Rathcoole for the Northern Ireland Housing executive and a saw mill will be constructed at the Ulster Timber Co, Belfast, for Mallinson Denny (Estates).

*

HOLLAND DREDGING (UK), Farnham, has been successful in obtaining a £1m sub-contract from Cementation Construction for works at Langbaurgh Sea Outfall, Redcar. This includes excavation of a trench, installation of a pipeline and backfilling of the sea outfall trench. The bucket dredger "Holland I," with associated barges and ancillary plant, will be used in dredging of granular and rock materials. Work starts in April, with completion during October for the Northumbrian Water Authority.

*

Work has started on the construction of a 3400 sq metre unit for the Inland Revenue Processing Centre at West Byfleet, Surrey. W. E. CHIVERS AND SONS, Devizes, was awarded the £2.32m contract by the Department of Environment/Property Services Agency. The building will comprise a steel-framed, brick-clad, single storey block containing a computer suite. Completion is due June 1985. Also for the DOE/PSA work has started on the construction of a flight simulator building at RAF Lyneham, and at Picton Barracks, Bulford, Chivers is developing living accommodation under a contract valued at £1.24m.

*

RUSH AND TOMPKINS has started work on contracts worth £1.46m in the south east. They include a £508,998 first floor extension to Bexleyheath telephone exchange (for British Telecom), a £718,127 contract for lift replacement work at Goodge Street Station (for London Transport) and the removal/replacement of end cladding panels from flats in Cromer Street, WC, at £231,506, for the Borough of Camden.

APPOINTMENTS

Senior post at Granada Group

Sir Denis Forman, chairman of Granada Television has been appointed deputy chairman of GRANADA GROUP. Sir Denis joined Granada Television in 1955, a year before the start of transmissions. During his first ten years with Granada, he worked mainly on the programme side, and was appointed joint managing director of Granada Television in 1965. He joined Granada Group board in 1964 and became chairman of Granada Television in 1974. He is also chairman of Granada Television International, the company which sells Granada's programmes overseas, and of Novello & Co, Granada's music publishing company.

★

Mr Geoff Eccles has been appointed deputy chairman of EASTERN GAS. He will be taking up his appointment shortly. He has been pipelines engineer in the production and supply division since 1980.

★

Mr Colin George has been appointed by ARTHUR GUINNESS AND SONS as head of group human resources. He joins Guinness on February 6 and will take up his duties in April following the retirement of Mr Maurice Freeman, group director of personnel. Mr George held senior personnel appointments with Rio Tinto Zinc, British Leyland and John Brown, and is group head of personnel with Ellerman Lines, parent company of brewers Tollemache and Cobbold and Cameron's.

★

Mr Andrew Thornton and Mr James Pettipher have been appointed regional directors of DBA COMPUTER SERVICES for the West Country and East Anglia respectively.

★

Mr Denis McCarthy has been appointed construction director of NEW IDEAL HOMES. He was formerly chief surveyor. New Ideal Homes forms part of the house-building division of Trafalgar House.

★

YORKSHIRE CHEMICALS has appointed Dr D. A. A. Fagandini to the group board as a non-executive director. Dr Fagandini is currently chairman of the specialised organics economic development committee within NEDO, and a member of the chemical, minerals and biotechnology executive of a DTI requirements board. He was director of development with Albright and Wilson.

★

Mr M. G. Predlove has been appointed an assistant director of DEVITT (D. A. INSURANCE), part of the Devitt Group.

★

COUNTY BANK has appointed Ms C. V. Downton and Mr D. J. Gamble as non-executive directors of County Bank Unit Trust Services. Mr W. Laverack has joined the board as administration director.

★

Mr Tony Lamper has been appointed director of accounts to the ROYAL ORDNANCE FACTORIES, shortly to be incorporated as a company under the Companies Act. He is succeeded as secretary at the Royal Ordnance Factory, Leeds, by Mr Bernard Carey, formerly chief accountant.

★

Mr Rod Bishop is appointed managing director of ADAMS FOODS. Mr Alan Boardman becomes deputy chairman and relinquishes his position as chief executive.

★

Mr Brian Reynolds will resume the role of chief executive, which he held prior to MICRO FOCUS GROUP going public in May 1983. Last year he held the dual positions of executive chairman and chief financial officer. Mr Paul O'Grady has been appointed executive vice-president and business development manager. Mr Roger Friedberger has been promoted to chief financial officer, from group financial controller. Mr Tom Hartnett, formerly of IBM, has been appointed executive vice-president and general manager U.S. operations. Mr Mike Kane, formerly group marketing manager, has resigned. Mr Colin West continues as general manager UK operations and has been created an executive vice-president.

★

Mr Dennis Hearn, deputy chief executive of TRUSTHOUSE FORTE, will resume responsibility for the group's hotel division from March 1. Mr Guiseppe Pecorelli, who has been managing director of Trusthouse Forte Hotels since 1980, has been granted a year's sabbatical leave during which he will carry out research on certain aspects of the hotel and catering industry for the company. He will continue to serve on the main board of Trusthouse Forte.

★

Mr Malcolm Lee has been appointed a director of BIFFA, part of the British Electric Traction Group. He joined the company last spring from Econowaste, a business he started in 1978 for Tarmac Roadstone (Holdings).

★

MAGNET JOINERY, a subsidiary of Magnet and Southerns, has appointed Mr Ken Sims to the board, with responsibility for 37 branches in the East Midlands, Yorkshire and the North East.

★

Mr Jean Solandt has been appointed a joint vice-chairman of J. HENRY SCHRODER WAGG AND CO. Mr Adam Broadbent, a director of Schroder Wagg, has been appointed head of corporate finance. Mr Patrick Drayton and Mr Richard Gordon have been appointed assistant directors.

★

Mr Neville Davis has been appointed managing director of OCEANIC. He was previously financial director, having joined the company in 1979 from chartered accountants Deloitte Haskins and Sells.

This week in Parliament

TODAY

Commons: Opposition Day: Debate on a motion on the damaging effects of EEC and UK policies on Northern Ireland agriculture. (Chosen by the Ulster Unionist Party.) Motions on the District Electoral Areas Commissioner (Northern Ireland) Order and on European Assembly Elections (Northern Ireland) Regulations.

Lords: Prevention of Terrorism (Temporary Provisions) Bill, Second Reading. Town and Country Planning Bill, Committee. Unstarred question on the work of the Welsh Plant Breeding Stations. Tourism (Overseas Promotion) (Scotland) Bill, Report.

Select Committees: Home Affairs: Sub Committee on Race Relations and Immigration. Witnesses: David Waddington QC MP, Minister of State, Home Affairs (Room 8, 4.15 pm).

Public Accounts — Subject: National Oil Account. Sales of Government shares in Britoil and Association of British Ports. Evasion and enforcement of Vehicle Excise duty. Witnesses: Sir Kenneth Couzens KCB, Permanent Under-Secretary, Department of Energy; Mr P Lazarus CB, Permanent Under-Secretary, Department of Transport (Room 16, 4.45 pm).

TOMORROW

Commons: Co-Operative Development Agency and Industrial Development Bill, Second Reading.

Lords: Public Health (Control of Disease) Bill, second reading. Agricultural Holdings Bill, Report. Pedal Bicycles (Safety) Regulations 1984, Motion for approval. Prohibition of Female Circumcision Bill, Report.

WEDNESDAY

Commons: Motion on Welsh Rate Support Grant, Report 1984-85. Motion on the Fishing Vessels (Financial Assistance) Scheme 1983, and motions relating to Sea Fisheries Conservation (Variation) Orders.

Lords: Short debate on the steady increase of homeless people; followed by short debate on the increase in the amount of drug addiction and the need for improved treatment by the National Health Service. Education (Amendment) Scotland Bill, Second Reading. Unstarred question on the GCHQ.

Select Committees: Defence—Subject: Weapons performance in the Falklands. Witnesses: Ministry of Defence (Royal Navy) (Room 16, 10.30 am).

Scottish Affairs — Subject: Social and economic consequences of the threatened closure of the Scott Lithgow shipyard. Witnesses: Rt Hon George Younger MP, Scottish Secretary and officials (Room 5, 10.30 am).

Employment — Subject: Trade Union legislation—unions and the Government. Communications Headquarters. Witnesses: Rt Hon Sir Geoffrey Howe, QC, MP, Foreign Secretary; Rt Hon Tom King, MP, Employment Secretary (Room 15, 11.00 am).

Foreign Affairs — Subject: Grenada. Witness: Rt Hon Timothy Raison, MP, Overseas Development Minister (Room 6, 4 pm).

Home Affairs — Subject: Remands in custody. Witness: NACRO (Room 5, 4.15 pm).

Public Accounts — Subject: Home Improvement Grants. Witness: Mr P. J. Harrap, Environment Department (Room 16, 4.15 pm).

Social Services — Subject: Griffiths National Health Service Inquiry Report. Witnesses: Mr Roy Griffiths and Sir Brian Bailey; Rt Hon Norman Fowler, MP, Social Services Secretary (Room 21, 4.15 pm).

Trade and Industry—Subject: British Steel Corporation. Witnesses: Norman Lamont, MP, Minister of State for Industry, plus officials (Room 8, 4.30 pm).

Private Bill Committee—Epsom and Walton Downs (Regulation) Bill (Room 13, 11 am).

THURSDAY

Commons: Debate on the Hennessey Report on security at the Maze Prison on a motion for the adjournment.

Lords: Telecommunications Bill, Committee. Fishing Vessels (Financial Assistance) Scheme 1983, motion for approval.

Select Committee. Trade and Industry—Subject: British Steel Corporation. Witnesses: Mr R. Haslam and other BSC representatives (Room 8, 4 pm).

FRIDAY

Commons: Private Members' Motions.

Lords: Motion on the First Joint Report by the Chairman of the Advisory Council for Applied Research and Development and the Advisory Board for the Research Councils.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY
COMPANY MEETINGS—
Fairline Boats, Moat House Hotel, Peterborough, 3.00
BOARD MEETINGS—
Interims:
Heclamat
Stocklake
DIVIDEND & INTEREST PAYMENTS—
Baker Perkins 2.4p
Banco De Bogota Finance Gtd. Nts. 1985 58.45
Bank of Tokyo (Curacao) NV Gtd. Nts. [illegible]

Scottish American Invs
Interims:
Waring and Gillow
Whitworth Elec
DIVIDEND & INTEREST PAYMENTS—
Braham Millar 0.4p
Crean (James) 4.125p
Doornfontein Cons. 45.37653p
Driefontein Cons. 59.55669p
Kloof Gold Mng. 73.73686p
Libanon Gold Mng. 62.39273p
Marsh and McLennan 55cts.
RHP 0.75p
[illegible]

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Current
International Spring Fair, (01-855 9201) (until Feb 8). NEC, Birmingham

Feb 8-12
International Swimming Pool and Leisure Show (01-499 5018) Wembley

Feb 10-12
Crufts Dog Show (01-493 7838) Earls Court

Feb 12-15
International Men's and Boys' Wear Exhibition—IMBEX (021-705 6707) Olympia

Feb 14-15
Computer Seminar and Exhibition (01-839 4901) Press Centre, EC4

Feb 21-23
London Co-op Trade Fair and Conference (01-403 0300) Kensington Town Hall

Feb 21-24
Information Technology and Office Automation Exhibition and Conference—INFO (01-647 1001) Barbican

Feb 22-23
Mail and Distribution '84 (Hoddesdon (0992) 469556) Cunard International Hotel, W6

Feb 22-24
Equipment and Services Exhibition for Golf in Europe—INTERGOLF EUROPE (Arundel (0903) 883381) Brighton

March 4-6
International Automotive Parts and Accessories Trade Show—AUTOPARTAC (High Wycombe (0494) 41548) Barbican

March 6-9
Oceanology International Exhibition and Conference (01-549 5831) Brighton

March 7-April 1
Daily Mail Ideal Home Exhibition (01-222 9341) Earls Court

March 12-16
International Rubber Exhibition and Conference—RUBBEREX (01-688 7786) NEC, Birmingham

March 13-15
Computer Trade Show (01-643 8040) Wembley

March 13-16
London Fashion Fair (01-385 1200) Olympia

March 21-23
Fashion Fabrex (01-379 5568) Olympia

OVERSEAS TRADE FAIRS

Feb 8-11
International Housewares Fair (01-930 7251) Cologne

Feb 9-18
International Commercial Motor Show (020 5411 411) Amsterdam

Feb 10-13
International Exhibition of Household Goods, Crystalware, Ceramics, Silverware and Gifts—MACEF (01-242 7829) Milan

Feb 11-15
International Ladies' Ready-to-Wear Exhibition (St Albans (0727) 33291) Paris

Feb 11-19
Copenhagen International Boat Show (45.1.51.88 11) Copenhagen

Feb 12-16
International Food Fair—ROKA (01-486 1951) Utrecht

Feb 21-24
Asian Petroleum Exhibition and Conference — OFFSEORE S.E. ASIA (01-486 1951) Singapore

Feb 28-March 2
Retail and Distributive Exhibition—RETAIL EUROPE (Hurst (0734) 345585) Amsterdam

March 1-10
Athens Boat Show (01-876 2700) Athens

March 12-15
International Electrical and Electronic Engineering Show—ELENEX (01-486 1951) Hong Kong

March 13-15
The Semicon/Europa Electronics Show (01-353-8807) Zurich

March 14-18
Scandinavian Travel and Tourism Exhibition (45.1.51.88.11) Copenhagen

BUSINESS AND MANAGEMENT CONFERENCES

Feb 6-8
Frost and Sullivan: Human performance engineering (ergonomics) in computer systems (01-486 0334) Cumberland Hotel, W1

Feb 7-8
Spectra: Electronic point of sale—designing the right system for your business (Twyford (0734) 345585) Shoppenhangers Manor, Maidenhead

Feb 8
Business Briefings: Bidding for Success (01-385 0974) Government Press Centre, SW1

Feb 8
IoD: How to create successful joint ventures overseas (01-839 1233) 116, Pall Mall, SW1

Feb 9-10
Oyez Scientific: International developments in cellular radio (01-236 4080) Royal Lancaster Hotel, W2

Feb 9-10
The Economist: Transatlantic debate over emerging technologies and defence capabilities (01-839 7000) Royal Garden Hotel, W8

Feb 15
Chatham House: Natural gas supply in western Europe (01-930 2233) 10 St James's Square, SW1

Feb 17
ICMA: Accounting provisions of the Companies Act (01-637 2311) Washington Hotel, W1

Feb 22
City Business Conferences: UK taxation and accounting treatment of foreign exchange (01-727 5120) Portman Close, W1

Feb 22
Netherlands-British Chamber of Commerce: Dutch delta technology, new developments (01-405 1358) Institute of Directors, SW1

Feb 22
Riba: Dealing with claims under building contracts (01-637 8991) 66 Portland Place, W1

Feb 27-28
FT Conference: The City and Europe—a 10-year appraisal (01-621 1355) Dorchester Hotel, W1

Feb 28-29
FT Conference: Cable television and satellite broadcasting (01-621 1355) InterContinental Hotel, W1

March 2
Cable and Satellite Europe: The Cable and Broadcasting Bill 1984, legal results and practical implications (01-352 1132) Royal Garden Hotel, W8

March 5-9
RRG: Effective insurance marketing (01-236 2175) Royal Horseguards Hotel, SW1

March 6
KAE Developments: Business development conference, "What really succeeds in practice?" (01-379 6118) Barbican, EC2

March 8-9
DIBC: International conference on bank training (01-738 1148) Royal Garden Hotel, W8

March 14
Institute of Credit Management: National Conference (Stamford (0780) 56777) London Hilton, W1

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

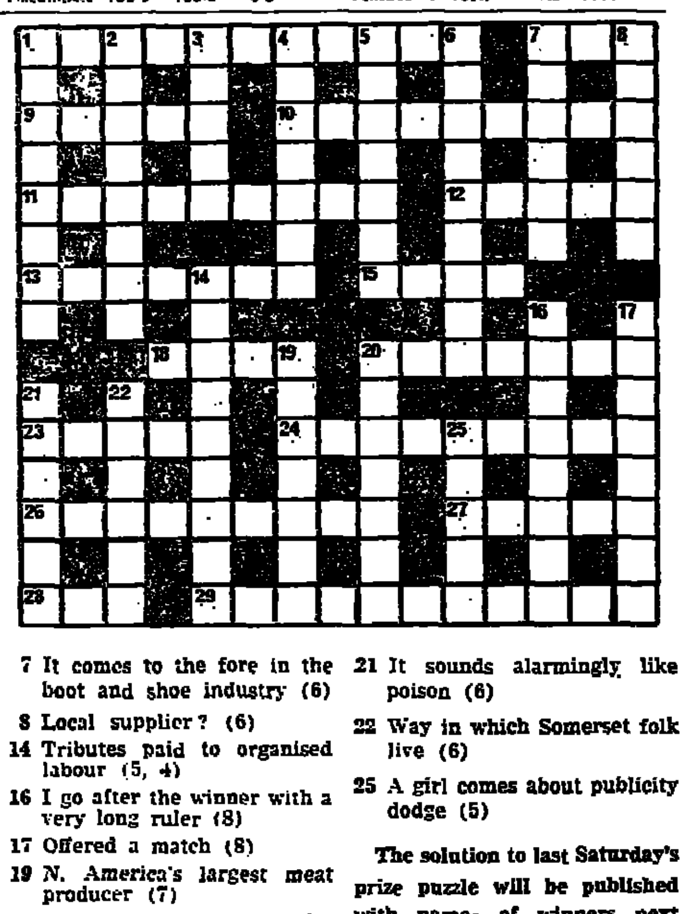
Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,335



ACROSS

1 Unable to span the production schedule? (5-6)
7 Not a smart looking boat, but the reverse (3)
9 Novel house, but starting to let rain in (5)
10 Paris summit conference (4-1-4)
11 He works his fingers to the bone (9)
12 Don't take time off (5)
13 Foster may run true to form (7)
15 Bother! Make a run for it! (4)
18 Branch member (4)
20 City in great trouble (7)
23 Frequently decimal (5)
24 A smoke screen? (6, 3)
26 Take a chance or just think about it (9)
27 Hanging wasn't good enough for Polonius (5)
28 Catch a number on the rebound (3)
29 Labour leader may give the password (4, 7)

DOWN

1 It may be served when bean soup is off (3, 5)
2 Upset an open container (8)
3 Youth leader took out foreign capital (5)
4 Cut a tea break and get moving (7)
5 Many felt irritated and abandoned (7)
6 Lady dines out, showing gluttony perhaps? (6, 3)
7 It comes to the fore in the boot and shoe industry (6)
8 Local supplier? (6)
14 Tributes paid to organised labour (5, 4)
16 I go after the winner with a very long ruler (8)
17 Offered a match (8)
19 N. America's largest meat producer (7)
20 They pay out money for informers (7)
21 It sounds alarmingly like poison (6)
22 Way in which Somerset folk live (6)
25 A girl comes about publicity dodge (5)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd.	–	250.72	+7.59	—
Managed Inv. Fd.	167.73	176.56	+3.10	—
Property Fd.	153.12	161.18	+1.01	—
Fixed Interest Fd.	148.81	156.65	+0.56	—
Cash Fd.	137.97	145.24	+0.53	—
Income Fd.	196.83	207.19	+8.09	—
Extra Income Fd.	188.24	198.15	+14.56	—
Worldwide Growth Fd.	236.57	249.03	+3.48	—
Balanced Fd.	195.32	205.60	+12.86	—
Smlr Co's & Recy. Fd.	222.01	233.70	+12.40	—
Int. Technology Fd.	270.21	284.44	+1.14	—
Nth Amer. & Gen. Fd.	160.43	168.88	-2.17	—
Energy Int. Fd.	111.90	117.79	+3.60	—
Pacific Basin Fund	160.26	168.70	+10.83	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	118.4	124.6	-0.3	—
Property	119.0	125.3	-1.1	—
Equity	126.7	133.4	+0.8	—
International	134.6	141.7	-0.8	—
Fixed Interest	104.2	109.6	+0.4	—
Deposit	100.9	106.2	+0.1	—
Managed Pen. Cap.	118.9	125.1	-0.6	—
Property Pens. Cap.	119.9	126.2	-1.6	—
Equity Pens. Cap.	122.0	128.4	+0.8	—
Intnl. Pens. Cap.	140.7	148.1	-1.9	—
Fixed Int. Pens. Cap.	100.5	105.8	+0.3	—
Deposit Pens. Cap.	98.1	103.3	+0.1	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Jan 31		107.1	.....	—
Rtmt. Fed. Jan. 6		280.3	.....	—
Managed Pen Fund	191.5	201.6	.....	—
Property Pen Fund	117.4	123.6	.....	—
Index Lnkd Pen Fund	112.4	118.3	.....	—
Managed	129.2	136.0	+0.2	—
Property	106.3	111.9	+0.1	—
Gilt and Fixed Interest	109.1	114.9	+0.3	—
Index-Linked	98.1	103.3	.....	—
Equity	129.9	136.8	+0.2	—
Cash	105.9	111.5	.....	—
Midland Bk. Unit Tst.	127.7	134.5	+0.4	—
Midland Bank Intnl.	150.2	158.2	.....	—

Cannon Assurance Ltd.

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	126.2	132.9	-1.0	—
GT Pln High Yld Fnd	132.7	139.7	-1.2	—
GT Plan Far East Fnd	133.2	140.3	-0.2	—
GT Plan N. Am Fd.	133.0	140.0	-3.5	—
GT Pln UK&G E. Fnd	151.9	159.9	+0.1	—
GT Pln Wrldwde Fnd	153.7	161.8	-3.1	—
GT Pension Bnd Fnd.	138.6	145.9	-1.2	—
GT Pen High Yld Fd	152.1	160.2	-1.3	—
GT Pen Far East Fd	165.2	173.9	-0.2	—
GT Pen N. Am. Fd.	190.4	200.5	-6.8	—
GT Pen UK & G.E. Fd.	175.7	185.0	+0.1	—
GT Pen Worldwide Fd.	165.9	174.7	-3.5	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	170.2	179.2	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		263.9	-1.1	—
Portfolio Fd. Init.		215.3	-1.0	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	284.6	299.6	.....	—
Money Fd.	157.3	165.5	.....	—
Equity Fd.	241.9	254.9	.....	—
Fixed Int. Fd.	118.8	125.2	.....	—
Property Fd.	175.4	184.8	.....	—
Managed Pen. Fd.	276.2	291.0	.....	—
Equity Pension Fd.	186.2	196.2	.....	—
Fixed Int. Pen. Fd.	168.1	177.1	.....	—
High Yield Pen. Fd.	165.9	174.8	.....	—
Money Pension Fd.	138.8	137.7	.....	—
Property Pension Fd.	129.5	136.2	.....	—
Gresham/Prendington				
American & Gen. Fd.	243.0	256.1	-3.0	—
Income Fd.	207.2	218.3	-1.0	—
Int'l. Growth Fd.	275.1	289.8	-1.6	—
Capital Fund	216.9	228.6	-0.6	—
Recovery Fund	163.5	172.3	-0.6	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Jan 24	172.8	181.9	.....	—
British Jan 24	140.7	148.2	.....	—
Commodity Jan 24	134.7	141.8	.....	—
Extra Inc Jan 24	127.9	134.7	.....	—
Far Eastern Jan 24	136.4	143.6	.....	—
High Inc Jan 24	134.6	141.7	.....	—
Income Jan 24	165.4	174.2	.....	—
Global Street Jan 24	197.3	207.7	.....	—
Special Sits Jan 24	149.3	157.2	.....	—
Gilt Jan 24	105.5	111.1	.....	—
Japan Jan 24	189.7	199.7	.....	—
U. Small Co's Jan 24	139.8	147.2	.....	—
Man Gwt. Jan 24	166.1	174.9	.....	—
Agtrin Jan 24	119.2	125.5	.....	—
Oil and Energ Jan 24	126.6	133.3	.....	—
Gold Share Jan 24	74.6	78.6	.....	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

Asset Builder	68.3	72.3	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Feb 1	65.9	71.1	.....	—
MM Flexible Feb 1	56.8	59.9	.....	—
Fixed Interest Feb 1	56.8	59.9	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	328.4	—	+0.6	—
Invest. Tst. Fd. Acc.	351.8	—	+0.7	*15.9
Property Fund Cap.	178.1	—	+0.1	—
Property Fund Acc.	126.0	—	+0.1	*5.0

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		290.4	.....	—
Property Fund (A)		282.1	.....	—
Agricultural Fund		1,137.9	.....	—
Agric. Fund (A)		1,107.1	.....	—
Abbey Nat. Fund		232.1	.....	—
Abbey Nat. Fd. (A)		231.1	.....	—
Investment Fund		144.4	+0.3	—
Investment Fund (A)		141.4	-0.9	—
Equity Fund		450.0	+1.3	—
Equity Fund (A)		441.2	+1.2	—
Money Fund		220.6	+0.3	—
Money Fund (A)		214.5	+0.3	—
Actuarial Fund		229.6	.....	—
Gilt-edged Fund		195.6	+0.3	—
Gilt-Edged Fd. (A)		195.6	+0.3	—
Retire Annuity		360.6	.....	—
Immed. Ann'ty		192.0	.....	—
International Fd.		275.3	-0.2	—
Bldg. Soc. Life Fd.		107.3	.....	—

Property Growth Pensions & Annuities Ltd.

All Wther Ac. Uts.	271.7	286.0	.....	—
Inv. Fd. Uts.		278.4	.....	—
Pension Fd. Uts.		260.3	.....	—
Conv. Pens. Fd.		303.6	.....	—
Cnv. Pns. Cap. Ut.		224.8	.....	—
Man. Pens. Fd.		362.0	.....	—
Man. Pens. Cap. Ut.		279.0	.....	—
Prop. Pens. Fd.		297.8	.....	—
Prop. Pens. Cap. Uts.		215.8	.....	—
Bldg. Soc. Pen. Ut.		263.7	.....	—
Bldg. Soc. Cap. Ut.		200.6	.....	—
Gilts Pens. Fd.		175.3	+0.4	—
Gilts Pens. Fd. Cap.		151.7	+0.3	—
Equity Pens. Fd.		283.2	+0.4	—
Equity Pens. Fd. Cap.		245.4	+0.4	—
Intl. Pens Fd.		104.9	.....	—
Intl Pens Fd Cap.		104.3	.....	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552.

Managed	212.2	223.4	-0.6	—
Property	154.0	162.2	.....	—
Equity	253.6	267.0	-1.0	—
International	209.5	220.6	-1.4	—
Fixed Interest	174.3	183.5	+0.5	—
Index Linked	98.1	103.3	.....	—
Cash	132.9	139.9	+0.1	—
Pension Managed	251.9	265.2	+0.7	—
Pension Property	157.5	165.8	+0.1	—
Pension Equity	307.0	323.2	+2.2	—
Pension Intl.	254.2	267.6	-2.0	—
Pension Fxd. Int.	183.9	193.6	+0.5	—
Pension Index Linked	99.0	104.3	.....	—
Pension Cash	150.9	158.9	.....	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

	Series (2)			(1) Bid
Index Linked Fund	111.4	117.3	.....	112.1
Equity Fund	318.2	335.0	+0.6	318.8
Fixed Interest Fund	205.1	215.9	+0.5	205.5
Property Fund	218.9	230.5	.....	219.3
International Fd.	196.2	206.6	-0.8	196.6
Deposit Fund	146.2	153.9	.....	146.4
Managed Fund	254.1	267.5	.....	254.5
Int Bond Jan 31	—	—	.....	£24.24

Series (2) Prices are for policies issued after 11/7/1982. Series (1) These are bid prices for earlier policies.

Individual Pension Funds

Index Linked	129.8	136.7	.....	—
Equity	160.2	168.7	.....	—
Fixed Int.	169.6	178.6	+0.6	—
Property	116.4	122.6	.....	—
International	165.8	174.6	-0.7	—
Deposit	115.7	121.8	.....	—
Managed	159.9	168.4	-0.1	—

*Group Pension funds—Prices available on request.

Sun Life of Canada (UK) Ltd.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D

Wldinvest Inc.	$116.45	117.05	+0.26	7.70

Valued weekly on Wednesdays.

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unsgilt Trust	44.5	46.2	.....	10.70
Unidollar Trust	$16.18	17.31	.....	1.30
Unibond Trust	$92.61	93.39	.....	10.7

1, Thomas St., Douglas, Isle of Man 0624 23252

Uni-Australian Tst.	88.3	95.0	.....	1.20
Uni-Aust. Mineral Tst.	74.4	80.0	.....	1.4
Uni-Pacific Trust	195.6	210.4	.....	—
Uni-International Tst.	73.3	84.2	.....	1.3

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* Jan 3	$57.69	61.34	.....	—
COUNT** Jan 3	£3.839	4.073	.....	1.29
CARRHO** Jan 3	£2.597	2.754	.....	—

Original issue *$10 and **£1. Next sub. February 6.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi Jn 31 (10for1)	Y4,830	4,960	.....	4.834
Nippon Fd Feb 1	$32.13	33.51	.....	0.90

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey, C.I. 0534-73114

U.S. Dollar Denominated Funds

AmSmallerCos.Fd.	$2.088	2.245	+0.035	—
Dollar Inc Fd.	$0.812	0.862	.....	11.00
$ Mngd Curr'cy Fd.	$9.29	9.780	+0.03	5.65
First Intnl	$20.31	21.38	.....	1.61
Gold Fund	$1.035	1.133	+0.029	4.68
Jap Dollar Perf.	$0.95	1.00	.....	—
Normandie In SFct	$12.62	13.57	.....	—

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far East Feb 1	$4.53	4.88	.....	—
Japan Fd Jan 27	$16.99	18.25	.....	—

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

Capital Reserve Fund	£17.30	17.31	.....	0.23
C.I. Fund	375.0	400.4	.....	2.17
Special Sits. Fund	£1.479	1.547	.....	1.80
Sterling Income Fund	112.3	117.3	.....	10.30
Dollar Income Fund	$1.063	1.109	.....	10.82
Trans. Nat. Trust	$1.177	1.239	.....	2.34
Intnl. Bond	$99.76	105.76	.....	10.38
Int. Equity	$21.82	22.97	.....	0.53
Int. Svgs. 'A' $US	$1.68	1.77	.....	—
Int. Svgs. 'B'	$2.39	2.52	.....	—
Galleon Acs Fd A	$1.16	1.166	.....	—
Amer Spec Accts	$0.90	0.95	.....	—
Amer. Equity Inc.	—	50.0	.....	6.50

Henderson Admin. & Man. (Guernsey)
PO Box 71, St. Peter Port, Guernsey 0481 26541

American (US cents)	154.9	164.8	.....	—
Nat. Res. (U.S. cents)	128.4	136.6	.....	—
Gilt Fund	£10.36	11.20	.....	11.16
Prmier Res. Props.	£0.99	1.06	.....	—

Henderson Baring Group
1901, Edinburg Tower, Hongkong.

Australia	$10.70	11.53	.....	2.10
Hong Kong	$12.25	13.13	.....	2.70
Japan Tech.	$31.07	33.20	.....	—
Japan Fund	$42.22	45.10	.....	0.42
Malay Sing.	24.15	26.01	.....	1.30
Pacific Fd.	$16.703	17.538	.....	1.45
Pacific Intl Fd.	$10.86	11.40	.....	—
Bond Fd.	$10.591	11.120	.....	10.79

Hill-Samuel & Co. (Guernsey) Ltd.
8 Le Febvre St., St. Peter Port, Guernsey, C.I.

Guernsey Tst.	331.0	354.1	+0.6	2.31

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 76029

UK Equities (C.I. Fd.)	219.3	234.7	.....	2.5
UK Gilt (Jy. Fxd. Int.)	105.0	111.0	.....	10.5
Int. Man. (Growth Fd.)	184.4	198.7	.....	—

Int. Currency Fund

Richmond Life Ass. Ltd.
6 Hill Street, Douglas, IoM. 0624 23914

Coin Trust	22.0	23.6	.....	—
Diamond Bond	70.8	75.9	.....	—
Gold Bond	245.7	261.2	+0.9	—
Sterling Deposit Bd.	173.1	182.13	+0.05	9.12
UK Gilt Fund	173.5	184.4	-0.4	—

Rothschild Asset Management (C.I.)
St Julian's Ct, St Peter Pt, Guernsey 0481 26741

OC America Fd.*	$3.53	3.74	.....	1.16
OC Sm Co***	190.3	201.7	.....	1.34
OC Commodity†	124.5	132.4	.....	2.30
OC $ Comdty*	$34.77	36.85	.....	1.87
OC HongKong††	HK$41.32	43.95	+2.76	—

*Prices Jan. Next dealing Feb . †Prices Next dealing Feb 14. ***Prices Feb 15. Next dealing Jan 31. ††Dealings every Wednesday.

OC Intl Reserves Ltd. 0481-26741 26331
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Rothschild Australia Asset Mgt Ltd.
17 Bridge St, Sydney 2000, Australia

Five Arrows Aust. Eq.	A$1.50	1.54	+0.01	4.5

Royal Bank of Canada Funds
RBC Invest Mangmnt. Ltd
PO Box 246, St Peter Port, Guernsey 0481 23021

Intl Income Fd.	$9.87	10.50	.....	—
Intl Capital Fd.	$16.84	17.39	+0.02	—
North America Fd.	$6.72	7.32	.....	—

RBC Intl Currencies Fd Ltd

U.S.$		$22.00	.....	—
Canadian $		C27.37	.....	—
£ Sterling		£11.07	.....	—
D-Mark		DM52.40	.....	—
Swiss Francs		SF41.18	.....	—
Japanese Yen		Y6,354	.....	—
Managed Fund		$21.26	.....	—

Daily Dealings.

Royal Trust Intnl. Fd. Mngt. Ltd
PO Box 194, St Helier, Jersey. 0534 27441

Sterling Fxd Int Fd.	£0.841	0.891	.....	8.98
International Secs.	$1.166	1.254	.....	0.80
International Bond	$0.814	0.862	.....	11.14

Price on Feb 1. Next dealing Feb 8.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

Dividends Paid	Stock	Price £	Last xd	Div. Gross	C'vr	Y'ld Gr's
F.My.Ag.N.	Abbott Labs.‖	32⅛	10.1	$1.00	—	2.2
F.My.Ag.N	Alcoa 1$	29½xd	31.1	$1.20	—	2.9
Ma.Ju.Se.De.	Amax $1	17⅝	7.11	20c	—	0.8
Fb.My.Au.Nv.	Amdahl	12⅝	26.10	20c	—	1.1
F.M.A.S.	Amer. Express $0.60	21⅞	3.1	$1.28	—	4.1
F.My.Au.N.	Amer. Medical Intl. $1.	17¼	29.12	48c	—	2.0
M.A.N.F.	Amer. Nat. Res. $1.	33½xd	12.10	$3.16	—	6.7
Ap Jy Oc Ja	American T. & T. Co.	46¼	28.12	s$5.40	—	8.3
M.J.S.D.	Amfac Inc	20⅝	15.11	$1.44	—	5.0
F.M.A.N	Bank America Corpn.	16	11.11	$1.52	—	6.7
A. J. O. Ja.	Bankers N.Y. $10	34¼	29.9	$2.25	—	4.5
M.Je.S.D.	♦Beth Steel $8	18	4.11	60c	—	2.4
Ja.Ap.Jy.O.	Brown'g Fer. c16⅔	27	14.12	96c	—	2.5
F.My.Au.N.	Brunswick Corpn.‖	19¼xd	20.1	60c	—	2.2
J.Ap.Jy.O.	C.P.C. 25c	27⅜xd	28.12	$2.20	—	5.7
Oc Ja Ap Jy	Campbell Soup	43⅝	5.1	$2.30	—	3.7
F.My.Au.N.	Caterpillar‖	34½	19.10	$1.50	—	3.1
F.MyAuN.	Chase M'htn.$12.5	36⅜	27.1	$3.50	—	6.7
Ap Jy Oc Ja	Chemical N.Y. Corpn	34⅝	—	$3.24	—	6.6
Mr.Je.S.D.	Chesebrough $1	26⅜	28.11	$1.84	—	4.8
Mr.Jn.S.D.	Chrysler $6¼	22⅛	5.7.9	60c	—	1.9
My.Au.N.F.	Citicorp $4	27⅛xd	23.12	$1.82	—	4.9
My.Au.N.F.	City Inv. $1.25	25⅞xd	28.12	$1.80	—	4.9
F.My.Au.N.	Colgate-P. $1	15xd	20.1	$1.28	—	6.0
Ma.Ju.Se.De.	Colt Inds. $1	36⅛	6.12	$2.20	—	4.3
O Ja Ap Jy	Cons. Foods $1⅓	20¾	28.11	$1.16	—	5.8
F.M.A.N	Cont. Illinois $5	14⅞	27.9	$2.00	—	9.5
Ap.Jy.O.Ja.	Crown Zell. $5	23⅛	7.12	$1.00	—	3.1

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY—Continued

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

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LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

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INVESTMENT TRUSTS-Cont.

Finance, Land, etc.

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OIL AND GAS—Continued

OVERSEAS TRADERS

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Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♠ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- || No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 14

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Demand for the D-mark

A sharp recovery by the Deutsche Mark was the major factor of interest on the foreign exchanges last week. Foreign investment in German shares pushed prices to record levels on the Frankfurt Stock Exchange and led to strong demand for the Deutsche Mark on hopes that the German economy would show substantial growth this year.

The Deutsche Mark finished the week at its best level this year against the dollar and also rose to its highest within the European Monetary System since the last realignment in March 1983. Other members of the system were also pulled up by the German currency in dollar terms however, with the dollar's rate against the lira falling below L1,700 for the first time since early January.

The renewed interest in the Deutsche Mark tended to attract some attention away from U.S. economic statistics, which have been the main focus for the foreign exchange market in recent weeks.

There was little in any of last week's figures to increase the attraction of the dollar anyway, and the currency began slipping from the opening of trading on Monday. The previous week's drop of $2.7bn in U.S. weekly M1 money supply was greater than expected, but any immediate fall in the value of the currency was limited by better than expected U.S. trade figures, and President Reagan's decision to run for another term of office.

Tuesday's announcement of a rise of 0.6 per cent in December's leading indicators was in line with expectations, while no clues about monetary policy have yet been gleaned from last week's Federal Open Market Committee meeting.

The U.S. unemployment figures published Friday were slightly better than expected, but only underlined the fact that economic recovery is continuing at a steady pace, and is not yet causing any inflationary problems, which may eventually lead to higher interest rates.

This has led some observers to believe that the dollar may have peaked, but the foreign exchanges are likely to remain nervous for some time because all earlier forecasts of a weaker dollar have proved premature.

	Feb. 3	Prev. close
Spot	$1.4325-4340	$1.4280-4290
1 month	0.05-0.08 dis	0.05-0.06 dis
3 months	0.16-0.18 dis	0.16-0.18 dis
12 months	0.71-0.75 dis	0.75-0.79 dis

£ forward rates are quoted in U.S. cents discount.

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.4280	1.4286	1.4298	1.4311	1.4351
D-Mark	3.9160	3.8975	3.8775	3.8456	3.7850
French Franc	12.0150	12.0625	12.1825	12.3407	12.6384
Swiss Franc	3.1450	3.13	3.10	3.058	2.9733
Japanese Yen	332.5	331.8	330.2	327.6	322.7

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 3	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	46.0714	+2.49	+1.96	±1.5447
Danish Krone	8.14104	8.16114	+0.25	−0.28	±1.6425
German D-Mark	2.24184	2.24912	+0.32	−0.21	±1.0642
French Franc	6.87456	6.90731	+0.48	−0.05	±1.4052
Dutch Guilder	2.52595	2.53916	+0.52	−0.01	±1.4964
Irish Punt	0.72569	0.728224	+0.35	−0.18	±1.6699
Italian Lira	1403.49	1381.67	−1.56	−1.55	±4.1506

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

BANK OF ENGLAND TREASURY BILL TENDER

	Feb. 3	Jan 27		Feb. 3	Jan 27
Bills on offer	£100m	£100m	Top accepted rate of discount	8.8643%	8.8643%
Total of applications	£596.565m	£716.906m	Average rate of discount	8.8517%	8.8590%
Total allocated	£100m	£100m	Average yield	9.05%	9.06%
Minimum accepted bid	£97.79*	£97.79	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	25%	97%			

THE POUND SPOT AND FORWARD

Feb 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4205-1.4310	1.4275-1.4285	0.03-0.08c dis	−0.46	0.15-0.20dis	−0.49
Canada	1.7700-1.7810	1.7790-1.7800	0.07-0.17c dis	−0.81	0.20-0.30dis	−0.56
Nethlnd.	4.40¼-4.43½	4.41¼-4.42¼	1¾-1½c pm	3.05	3⅝-3⅜ pm	3.28
Belgium	80.00-80.50	80.15-80.25	15-25c dis	−2.99	58-68 dis	−3.14
Denmark	14.15-14.25	14.19½-14.20½	1⅝-2⅝ore dis	−1.85	6½-7 dis	−1.87
Ireland	1.2630-1.2730	1.2640-1.2650	0.24-0.32p dis	−2.66	0.79-0.91dis	−2.69
W. Ger.	3.90¾-3.93¾	3.90½-3.91½	1⅜-1pf pm	3.84	3¼-3 pm	3.22
Portugal	192.50-194.75	194.00-194.50	195-415c dis	−18.84	565-1150dis	−17.65
Spain	222.00-223.20	222.90-223.00	175-200c dis	−10.09	560-610dis	−10.50
Italy	2,403-2,412	2,411-2,412	18½-17½ lire dis	−9.08	47½-49½dis	−8.05
Norway	11.08-11.15	11.13½-11.14½	3¾-4ore dis	−3.97	10½-10¾dis	−3.79
France	12.00-12.06	12.01-12.02	4¾-5¼c dis	−4.74	15¾-17¼dis	−5.58
Sweden	11.51-11.58	11.56½-11.57½	1¾-2¼ore dis	−1.94	4¾-5¼ dis	−1.73
Japan	330¼-333½	332-333	0.80-0.70y pm	2.71	2.35-2.25 pm	2.77
Austria	27.50-27.65	27.58-27.63	7½-4¾gro pm	3.07	21½-18½ pm	2.86
Switz.	3.13¼-3.16¼	3.14-3.15	1¾-1¼c pm	5.72	4¾-4¼ pm	5.72

Belgian rate is for convertible francs. Financial franc 86.65-86.95. Six-month forward dollar 0.38-0.33c dis, 12-month 0.66-0.76c dis.

THE DOLLAR SPOT AND FORWARD

Feb 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4205-1.4310	1.4275-1.4285	0.03-0.08c dis	−0.46	0.15-0.20dis	−0.49
Ireland†	1.1215-1.1300	1.1290-1.1300	0.22-0.15c pm	2.19	0.63-0.55 pm	2.12
Canada	1.2465-1.2470	1.2465-1.2466	0.01-0.03c dis	−0.19	0.01-0.03dis	−0.06
Nethlnd.	3.0900-3.1080	3.0910-3.0930	0.97-0.87c pm	3.56	2.92-2.82 pm	3.70
Belgium	56.14-56.40	56.14-56.16	8-13c dis	−2.23	32-37 dis	−2.45
Denmark	9.94-10.00	9.94¼-9.94¾	0.20ore pm-0.30d	−0.06	0.25-0.75dis	−0.20
W. Ger.	2.7350-2.7570	2.7365-2.7375	0.88-0.83pf pm	3.72	2.66-2.61 pm	3.85
Portugal	135.75-136.50	136.00-136.50	135-285c dis	−18.49	375-765dis	−17.77
Spain	155.30-156.15	155.40-155.60	115-135c dis	−9.61	375-400 dis	−9.93
Italy	1,687½-1,692½	1,689-1,690	10½-11½ lire dis	−7.82	31½-32½dis	−7.63
Norway	7.7820-7.8200	7.8000-7.8050	2.10-2.60ore dis	−3.61	6.20-6.70dis	−3.30
France	8.4000-8.4600	8.4125-8.4175	2.80-3.10c dis	−4.18	10.50-11.25d	−5.14
Sweden	8.0950-8.1125	8.1025-8.1075	0.85-1.35ore dis	−1.63	2.40-2.90dis	−1.31
Japan	232.55-233.50	232.70-232.80	0.64-0.60y pm	3.19	1.94-1.89 pm	3.28
Austria	19.28-19.39	19.27-19.28	6.00-5.40gro pm	3.53	17.25-15.25pm	3.36
Switz.	2.1940-2.2160	2.1995-2.2005	1.20-1.16c pm	6.40	3.42-3.38 pm	6.15

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 57.62-57.67.

OTHER CURRENCIES

Feb. 3	£	$		£ Note Rates
Argentina Peso	37.60-37.88	26.56-26.59	Austria	27.45-27.75
Australia Dollar	1.5485-1.5505	1.0845-1.0850	Belgium	81.60-82.40
Brazil Cruzeiro	1,550.3-1,548.5	1,075-1,080	Denmark	14.15-14.29
Finland Markka	8.3370-8.3770	5.8650-5.8680	France	11.99-12.11
Greek Drachma	145.40-145.90	101.90-102.20	Germany	3.89½-3.93½
Hong Kong Dollar	11.08½-11.09½	7.7920-7.7950	Italy	2395-2440
Iran Rial	125.00*	89.00*	Japan	330-336
Kuwait Dinar (KD)	0.4185-0.4195	0.29345-0.29400	Netherlands	4.39-4.43
Luxembourg Fr.	80.15-80.25	56.14-56.16	Norway	11.05-11.16
Malaysia Dollar	3.3190-3.3255	2.3300-2.3350	Portugal	192-202
New Zealand Dlr.	2.1790-2.1840	1.5260-1.5285	Spain	222½-232½
Saudi Arab. Riyal	5.0040-5.0085	3.5105-3.5110	Sweden	11.48-11.59
Singapore Dollar	3.0250-3.0285	2.1240-2.1260	Switzerland	3.12-3.16
Sth. African Rand	1.7730-1.7760	1.2415-1.2435	United States	1.42½-1.44½
U.A.E. Dirham	5.2340-5.2395	3.6720-3.6730	Yugoslavia	195-207

*Selling rates. **Feb 2—The rate should have read 11.079-11.089.

CURRENCY MOVEMENTS

Feb. 3	Bank of England Index	Morgan Guaranty Changes %
Sterling	83.0	−8.6
U.S. dollar	130.3	+17.6
Canadian dollar	92.1	+0.4
Austrian schilling	114.6	+2.8
Belgian franc	89.1	−12.4
Danish kroner	78.2	−6.1
Deutsche mark	124.7	+7.7
Swiss franc	150.0	+15.9
Guilder	114.0	+4.1
French franc	65.9	−15.5
Lira	48.3	−15.3
Yen	156.8	+12.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Feb. 3	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.731125	0.573744
U.S. $	8½	1.04188	0.818159
Canadian $	9.98	1.29921	1.01956
Austria Sch.	3¾	N/A	15.8396
Belgian Fr.	10	58.5650	46.0714
Danish Kr.	7	10.4065	8.16114
D'mark	4	2.86561	2.24912
Guilder	5	3.22917	2.53916
French Fr.	9½	8.79734	6.90731
Lira	17	1759.48	1381.67
Yen	5	N/A	190.795
Norwgn Kr.	8	8.12435	6.37755
Spanish Pta.	—	162.586	127.715
Swedish Kr.	8½	8.43742	6.62416
Swiss Fr.	4	2.30428	1.80870
Greek Dr'ch	20½	106.581	83.4359

*CS/SDR rate for Feb 2: 1.2954.

EXCHANGE CROSS RATES

Feb. 3	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.428	3.910	332.5	12.015	3.145	4.420	2412.	1.780	80.20
U.S. Dollar	0.700	1.	2.737	232.8	8.413	2.200	3.093	1690.	1.246	56.15
Deutschemark	0.256	0.366	1.	85.04	3.073	0.804	1.130	616.9	0.455	20.51
Japanese Yen 1,000	3.008	4.295	11.76	1000.	36.14	9.459	13.29	7254.	5.353	241.2
French Franc 10	0.832	1.189	3.254	276.7	10.	2.618	3.679	2007.	1.481	66.75
Swiss Franc	0.318	0.454	1.243	105.7	3.820	1.	1.405	766.9	0.566	25.50
Dutch Guilder	0.226	0.323	0.885	75.23	2.718	0.712	1.	545.7	0.403	18.14
Italian Lira 1,000	0.415	0.592	1.621	137.9	4.981	1.304	1.833	1000.	0.738	33.25
Canadian Dollar	0.562	0.802	2.197	186.8	6.750	1.767	2.484	1355.	1.	45.07
Belgian Franc 100	1.247	1.781	4.875	414.6	14.98	3.921	5.511	3007.	2.219	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 3	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9-9¼	9¼-9½	9¼-9¾	5⅞-6⅛	3⅛-3⅜	5⅛-5¼	12¼-12½	16-17	9¾-10¼	9¾-10¼	6 6⅛	10⅛-11⅛
7 days' notice	9⅛-9¼	9⅜-9½	9⅛-9⅝	5⅞-6⅛	3¼-3½	5⅜-5½	12¼-12⅝	17¼-18¼	11¼-12¼	10-10½	6-6⅛	10⅛-11
Month	9¼-9⅜	9⅝-9¾	9⅝-9⅞	6-6⅛	3⅛-3⅜	5⅜-5½	13⅛-13½	17¼-18¼	11¼-12¼	10¼-10⅞	6⅛-6¼	10⅛-11⅛
Three months	9¼-9⅜	9⅝-9¾	9⅝-9¾	6⅛-6¼	3⅝-3⅞	5⅝-5¾	14⅞-15¼	17¼-17⅞	11⅛-11⅜	11⅛-11⅜	6⅛-6¼	10⅞-11⅛
Six months	9¼-9⅜	9¾-9⅞	9⅞-10	6⅛-6¼	3⅝-3⅞	5⅞-6	14¼-15⅛	17¼-18⅛	11¼-11⅜	11¼-11⅜	6⅛-6¼	10⅞-11⅛
One year	9⅜-9½	10⅛-10¼	10-10⅛	6⅜-6½	4-4⅛	6⅛-6¼	15⅛-15⅜	16⅛-16⅞	11¼-11⅝	11¼-11⅝	6¼-6⅜	10⅞-11⅛

Asian $ (closing rates in Singapore): Short-term N/A*; seven days N/A*; one month N/A*; three months N/A*; six months N/A*; one year N/A*. Long-term Eurodollars two years 10½-11⅛ per cent; three years 11⅛-11⅝ per cent; four years 11⅝-12 per cent; five years 12-12⅜ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice. * N/A—Not available.

MONEY MARKETS

Large shortages in London

The Bank of England relieved forward part of last week's money market shortage with further repurchase agreements. These bills will be returned to the market on February 20 and 22, when liquidity should be in surplus through the maturity of Exchequer 11½ per cent, adding about £550m on the 20th, and gilt dividends of around £300m and payment of block grant to local authorities in the region of £455m on the 22nd.

Most of the substantial shortages on Tuesday and Friday were caused by the unwinding of earlier repurchase agreements, and by the refinancing of bills maturing in the hands of the Bank of England.

Seasonal tax payments were not too much of a major factor.

Tuesday's shortage was about £750m, and on Friday an early forecast of £650m was late revised to £800m, and on both days the authorities provided an unusually early round of assistance involving repurchase agreements.

Short-term interest rates had an easier tone, reflecting the advance of the pound against the dollar on the foreign exchanges. This led to increased confidence that clearing bank base rates would not rise in the near future, and to hopes that the next move in rates might be downwards.

Market sentiment about rates will depend to some extent on the next set of UK money supply figures, due for publication tomorrow.

These are expected to be reasonably encouraging, because of large Government revenue as a result of January's tax payments, and also because of substantial gilt edged sales by the authorities.

If this is the case it will come as a relief to the financial markets after disappointing figures in recent months. December's rise in sterling M3 of 1.25 per cent was generally expected, but it followed an even worse figure of 1.5 per cent in October and has been regarded as a restraining factor on interest rate movements, despite the obvious desire of the Government to reduce rates and stimulate economic recovery and investment.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Feb. 3	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.5-5.6	12⅛	2-3	5⅛-5¼	6.28125	17⅛-18	7.15	11⅞-12⅛
One month	5.55-5.70	12¼-12⅜	2-3	5⅝-5¾	6.21875	17⅞-18	10⅝-10⅞	12⅜-12⅝
Two months	5.70-5.85	12¼-12⅝		5⅝-5¾				12⅜-12⅝
Three months	5.90-6.05	12⅛-12⅜	3⅛-3⅜	5⅞-6	6.28125	17⅞-18⅛	11⅛-11⅜	12⅜-12⅝
Six months	6.05-6.20	12⅛-12⅜		6⅛-6¼			11⅛-11⅜	12⅜-12⅝
Lombard	5.5	—		—			—	—
Intervention	—	12	—	—	5⅛	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Feb. 3 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8¾-10	9-9⅛	9⅛-9⅜	9-9⅛	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or ...	—	—	—	—	—	—	—	—	—	—
7 day notice	—	[illegible]	9-9⅛	9¼-9⅜	9-9⅛	—	—	—	—	—
One month	9¼-9⅛	[illegible]	9⅛	9⅛	9-9⅛	9-9⅛	8⅞	9-9⅛	8⅞-9	9⅝
Two months	9¼-9⅛	[illegible]	9⅛	9⅝	9-9⅛	8⅞	8⅞	8⅞-8⅞	8⅞-8⅞	9⅝
Three months	9⅛-9¼	[illegible]	9⅛	9⅝	9-9⅛	8⅞	8⅞-8⅞	8⅞-8⅞	8⅞-8⅞	9½
Six months	9⅛-9⅜	[illegible]	9½	—	—	—	—	8⅞	8⅞	9⅞
Nine months	9⅛-9⅜	[illegible]	9⅝	—	—	—	—	—	—	—
One year	9⅛-9⅜	[illegible]	9⅛	—	—	—	—	—	—	—

Feb. 3 1984	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¼-9⅛	—	9⅛	9.4-9.6	8⅝-8⅞	9⅛-9⅝
Two months	9⅛-9⅜	—	9⅜	9.4 9.5	8⅝-9	9⅛-9¾
Three months	9⅝-9⅜	—	9⅛	9.46-9.55	8⅞-9⅛	9⅝-9¾
Six months	9⅝-9⅝	—	9⅝	9.6 9.7	9⅛-9⅝	9⅞-10⅛
Nine months	9⅝-9⅞	—	9⅝	9.65-9.85	—	—
One year	9⅝-9⅞	—	9⅝	9.65-10.05	9⅛-9⅞	10 10⅛
Two years	—	10¾	—	—	—	—
Three years	—	11	—	—	—	—
Four years	—	11⅛	—	—	—	—
Five years	—	11⅛	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7, 1983 to January 3, 1984 (inclusive 9.482 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association). 9½ per cent from February 1, 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8517 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9½ per cent; three-six months 9¼ per cent; six-12 months 9½ per cent. Under £100,000 9¼ per cent from February 5. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. February 3)

3 months U.S. dollars	
bid 9 5/8	offer 9 3/4

6 months U.S. dollars	
bid 9 13/16	offer 9 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (4 pm)

Prime rate	11
Broker loan rate	10¾-10½
Fed funds	9½
No fed at intervention	—

Treasury Bills

One month	8.70
Two month	8.80
Three month	8.96
Six month	8.97
One year	8.98

Treasury Bonds

Two year	100
Three year	100⅜
Four year	100²⁵⁄₃₂
Five year	100⁷⁄₁₆
Seven year	101⅜₂
10 year	100²¹⁄₃₂
30 year	102²¹⁄₃₂

FINANCIAL FUTURES

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.31	90.36	90.31	90.31
June	89.94	89.96	89.94	89.93
Sept	89.63	89.65	89.63	89.62
Dec	89.34	89.36	89.34	89.33
March	89.09	—	—	—

Volume 1,579 (3,080). Previous day's open int 10,904 (10,168)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.76	90.77	90.74	90.74
June	90.50	90.51	90.49	90.47
Sept	90.30	90.31	90.29	90.28
Dec	90.17	90.17	90.15	90.10

Volume 756 (846). Previous day's open int 6,088 (6,302)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	109-10	109-23	109-06	109-07
June	108-15	108-22	108-15	108-12
Sept	107-30	—	—	107-28
Dec	107-17	—	—	107-15
March	107-04	—	—	107-02

Volume 3,473 (3,895). Previous day's open int 3,635 (4,292). Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 18 to 28 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4329	1.4360	1.4220	1.4290
June	1.4355	1.4312	1.4255	1.4285
Sept	1.4375	—	—	1.4265

Volume 984 (271). Previous day's open int 2,503 (2,482)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3642	0.3665	0.3641	0.3641
June	0.3681	0.3685	0.3681	0.3673
Sept	0.3715	—	—	0.3707

Volume 532 (482). Previous day's open int 967 (965)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4542	0.4567	0.4546	0.4547
June	0.4618	0.4623	0.4618	0.4610
Sept	—	—	—	—

Volume 25 (7). Previous day's open int 123 (127)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4303	0.4306	0.4302	0.4297
June	0.4340	0.4348	0.4340	0.4332
Sept	—	—	—	—

Volume 38 (26). Previous day's open int 253 (255)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	71-08	71-12	71-07	71-13
June	70-21	70-25	70-20	70-25
Sept	70-03	70-06	70-02	70-06
Dec	69-18	69-21	69-18	69-23
March	69-03	69-06	69-01	69-08
June	68-20	68-23	68-20	68-26
Sept	68-07	68-10	68-07	68-13
Dec	67-27	67-29	67-27	68-01
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
March	91.04	91.08	91.01	91.06
June	90.75	90.78	90.73	90.75
Sept	90.46	90.50	90.46	90.47
Dec	90.24	90.27	90.22	90.20
March	90.03	90.03	89.99	89.94
June	89.82	89.82	89.78	89.69
Sept	89.59	89.59	89.58	89.45
Dec	89.37	89.37	—	89.23

CERT. DEPOSIT (IMM) $1m points of 100%

	Close	High	Low	Prev
March	90.49	90.53	90.46	90.49
June	90.06	90.10	90.06	90.06
Sept	89.71	89.75	89.71	89.71
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev
March	90.02	90.05	90.01	90.02
June	89.64	89.68	89.64	89.64
Sept	89.32	89.36	89.32	89.32
Dec	89.03	89.06	89.03	89.01
March	88.77	88.79	88.74	88.71
June	88.48	88.50	88.46	88.42

STERLING (IMM) $ per £

	Close	High	Low	Prev
March	1.4350	1.4370	1.4220	1.4280
June	1.4370	1.4385	1.4260	1.4275
Sept	1.4390	1.4400	1.4365	1.4295
Dec	1.4410	1.4420	1.4380	1.4315
March	1.4430	1.4440	1.4310	1.4335

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	70-04	70-10	70-04	70-11
June	69-06	69-11	69-04	69-12
Sept	68-09	68-10	68-08	68-16
Dec	67-17	67-20	67-15	67-23
March	—	—	—	—
June	66-08	—	—	66-14
Sept	65-24	65-26	65-22	65-30
Dec	65-10	—	—	65-16
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

WEEKLY CHANGE IN WORLD INTEREST RATES

	Feb. 3	change		Feb. 3	change
LONDON			NEW YORK		
Base rates	9	Unch'd	Prime rates	11	Unch'd
7 day interbank	9⅛	−⅛	Federal funds	9⅛	+⅛
3 mth interbank	9⅛	−⅛	3 Mth. Treasury Bills	8.95	+0.03
Treasury Bill Tender	8.8517	−0.0073	6 Mth. Treasury Bills	8.97	+0.08
Band 1 Bills	9⅛	Unch'd	3 Mth. CD	9.40	Unch'd
Band 2 Bills	8⅞	Unch'd	FRANKFURT		
Band 3 Bills	8⅞	Unch'd	Lombard	5.50	Unch'd
3 Mth. Treasury Bills	8⅞	Unch'd	One Mth. Interbank	5.625	−0.325
1 Mth. Bank Bills	8⅞	Unch'd	Three month	5.975	−0.15
3 Mth. Bank Bills	8⅞	Unch'd	PARIS		
TOKYO			Intervention Rate	12	Unch'd
One month Bills	6.21875	−0.0625	One Mth. Interbank	12.3125	+0.0625
Three month Bills	6.28125	Unch'd	Three month	12.3125	+0.0625
BRUSSELS			MILAN		
One month	10⅛	−⅛	One month	17⅛	+⅛
Three month	11⅛	−⅛	Three month	18⅛	Unch'd
AMSTERDAM			DUBLIN		
One month	5⅞	—	One month	12⅛	−⅛
Three month	5⅞	—	Three month	12½	−⅛

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. Band 4 bills 8⅞.

CONTRACTS & TENDERS

SOCIETE DE PROMOTION DU LAC DE TUNIS

ADVICE FOR PREQUALIFICATION OF TENDERERS

The société "Promotion du Lac" intends to invite, in March 1984, selected contractors to tender for the dredging and civil engineering works necessary for the cleaning of the Lac of Tunis City.

It is envisaged that several million cubic metres of dredging will be necessary together with various marine civil engineering works and mechanical installations. The works will form the first phase of the development of the Lac of Tunis and its shores.

Contractors interested in being considered for inclusion in the list of tenderers are invited to submit two copies of their standard prequalification documents to:

The Director General—SOCIETE DE PROMOTION DU LAC

6 rue Docteur Calmette—TUNIS (Tunisie)

For this consideration and selection, these documents must include, the following:

(1) Their company's audited balance sheet for 1982

(2) Their company's audited profit and loss accounts for 1982.

(3) Details of projects completed by their company in the last 10 years, involving large scale dredging and marine civil engineering works

(4) Details of all dredgers owned by their company, the present location of these dredgers and their planned activities until the end of 1984

(5) Details of their company's current dredging contracts

All documentation must be received in the offices of the Société de Promotion du Lac by 15th March 1984. Any queries regarding this notice must be addressed in writing to the Director General at the above address or by telex to 13575 SABLAT TN.

YEMEN ARAB REPUBLIC AND PEOPLES DEMOCRATIC REPUBLIC OF YEMEN

YEMENI JOINT PROJECT FOR NATURAL RESOURCES

INVITATION TO TENDER

Qualified firms are invited to tender for a Phase 1 Programme to be completed not later than December 1985. Part A of the tender comprises satellite mapping of Yemen (approximately 537,000 sq km) leading to the production of unified topographic, geologic, hydrogeologic/hydrologic, structural/tectonic and volcanic/earthquake risk maps. Part B of the tender comprises airborne geophysical surveys totalling approximately 110,640 line kilometres. The work will be undertaken for the Yemeni Joint Directorate for Natural Resources with funds provided mainly by the Arab Fund for Economic and Social Development and with technical assistance provided by UNDP/DTCD.

Tender documents may be obtained from the Yemeni Joint Directorate in Sanaa, Yemen Arab Republic as from 15 February 1984 — against a non-refundable payment of US$200 or its equivalent. Tenders will close at an opening ceremony in Sanaa at 12 noon on 19 April 1984. This closing date will not be affected by late collection of tender documents. All communication should be addressed to:

The Director-General
YEMENI JOINT DIRECTORATE FOR NATURAL RESOURCES
PO Box 297, Sanaa, Yemen Arab Republic
Telephone: 202214 Sanaa • Telex: 2267 YOMIN YE

Banco de Bogotá Finance Corporation

U.S.$25,000,000

Guaranteed Floating Rate Notes 1985

Unconditionally and irrevocably guaranteed by

Banco de Bogotá

In accordance with the provisions of the Notes, notice is hereby given that for the six months period 6th February 1984, to 6th August 1984, the Notes will carry a Rate of Interest of 10¼% per annum with a coupon amount of U.S.$51·82.

Agent Bank

CHEMICAL BANK INTERNATIONAL LIMITED

BOND DRAWINGS

STATE OF SAN PAULO COFFEE INSTITUTE

7½% STERLING BONDS

All Bonds of the above loan have now been drawn for redemption.

There are still 130 Bonds yet to be presented for payment at £102% to Lazard Brothers & Co., Limited, 21 Moorfields, London EC2P 2HT.

Drawn for Redemption 1st July 1980 (Coupons 109 to 119 to be attached).

7 Bonds at £100 Nominal

21443	21444	23964	24937	52876	59683	68978

Drawn for Redemption 1st July 1981 (Coupons 111 to 119 to be attached).

2 Bonds at £500 Nominal

9 Bonds at £100 Nominal

3308	4861					
53873	56069	56369	61628	61633	62814	62885
65936	71373					

Drawn for Redemption 1st January 1982 (Coupons 112 to 119 to be attached).

21 Bonds at £100 Nominal

5798	5799	6278	6279	41008	41009	41010
41011	46593	52557	52603	56368	59379	59610
60101	61627	62812	66677	66899	66980	70614

Drawn for Redemption 1st July 1982 (Coupons 113 to 119 to be attached).

2 Bonds at £500 Nominal

19 Bonds at £100 Nominal

1492	3656					
5355	21442	21445	24550	25493	39305	39842
39925	44505	53898	59889	60310	61570	61626
62811	66061	67287	67928	68060		

Drawn for Redemption 1st January 1983 (Coupons 114 to 119 to be attached).

49 Bonds at £100 Nominal

6277	13474	13475	13476	18247	20006	20007
21441	24520	24521	24522	25078	25494	28194
32138	34917	34918	36971	36972	36973	38731
46549	46592	47256	50289	50311	50312	50321
52085	52087	52556	54598	56474	59605	61387
63373	63522	63810	64576	64619	64903	65705
66606	66923	67209	67226	69601	70080	71102

Final Redemption 1st July 1983 (Coupons 115 to 119 to be attached).

21 Bonds at £100 Nominal

13477	13478	18246	24519	39750	49662	50313
50314	50320	52086	61388	61389	61390	63372
66779	67227	67496	67497	69711	70291	72064

COMPANY NOTICES

CITY OF LIMA

(The Honourable Provincial Council of Lima)

5% FIRST MORTGAGE BONDS 1911

Lloyds Bank International Limited, 40-66 Queen Victoria Street, London EC4P 4EL, announce that coupons due 1st January 1984 of the City of Lima (The Honourable Provincial Council of Lima) 5% First Mortgage Bonds 1911, may be lodged for payment, but must be left an appropriate period for examination. Coupons will not be accepted through the post.